

The NATIONAL UNDERWRITER

Life Insurance Edition

Five training tracks

that lead to

MORE and LARGER sales

It's good business for us to help our men do good business for themselves. In long years of implementing this belief, New England Mutual has developed one of the most comprehensive training programs in the field.

Divided into five courses, this program equips our men to sell at all levels, including the high executive levels where most of the big cases originate.

These courses, in order, are: **1** basic training in the agency using *Career Underwriting*; **2** a Home Office course given in Boston at no expense to the Agent; **3** Coordinated Estates—a professional

approach to selling and servicing life insurance; **4** Advanced Underwriting, covering business uses of life insurance, and relating insurance to trusts, wills, estates and taxation problems, and finally **5** study for the CLU designation—all of which are integrated with the LUTC program.

In addition, New England Mutual provides regular bulletins on new tax and estate laws, and suggests valuable sales applications. This is all part of our continuing year-round program of helping New England Mutual men make MORE and LARGER sales.

The NEW ENGLAND



MUTUAL

Life Insurance Company of Boston

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

FRIDAY, JANUARY 9, 1953

Guardian's

Disability Income Provision

\$10 per month per \$1,000 insurance—offers peace-of-mind protection against the living death of total and permanent disability. This is just one of many attractive features which puts the GUARDIAN Field Man in a preferred sales position.



For full details, please call
your nearest Guardian office.

LIFE-ACCIDENT AND HEALTH

The **GUARDIAN**
Life Insurance Company
OF AMERICA

FIFTY UNION SQUARE NEW YORK 3, N. Y.

OVER A BILLION DOLLARS INSURANCE IN FORCE



Leadership...

AS a leader in the non-cancellable disability field, we invite comparisons of benefits . . . of premiums . . . of service. But we especially welcome your attention to the manner in which we treat the policyholder.

THE *Paul Revere Life*
INSURANCE COMPANY
WORCESTER 2, MASSACHUSETTS

Frank L. Harrington.....President
Edward R. Hodgkins.....Vice-Pres. and Mgr. of Agencies

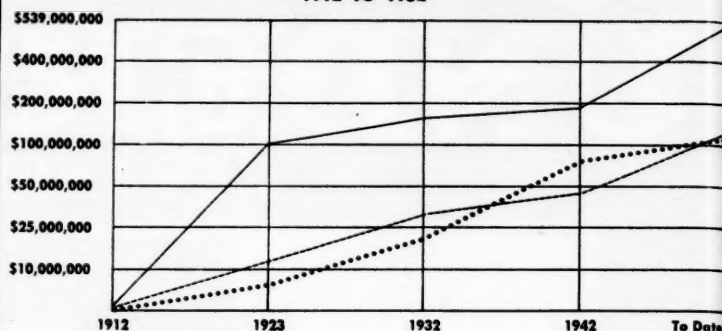
★ NON-CANCELLABLE ACCIDENT & SICKNESS • LIFE • GROUP ★

Agency representation in the 48 states, the District of Columbia, Hawaii and Canada

PAN-AMERICAN LIFE INSURANCE CO.

Four Decades of Progress

1912 TO 1952



- INSURANCE IN FORCE — ASSETS — BENEFITS TO POLICYOWNERS
1. An all time high in new sales, \$116,000,000 in 1951 (includes reinstatements and revivals)
 2. \$539,000,000 of insurance in force
 3. Assets of \$130,000,000 — Surplus, \$8,500,000
 4. Benefits paid to Policyowners and Beneficiaries — \$123,570,000
 5. Complete mutualization
 5. The completion and occupancy of our new \$3,000,000 home office building

Here's The Reason

- We HAVE: A. A WELL-TRAINED SALES ORGANIZATION
B. ARMED WITH EXCELLENT SALES TOOLS and HIGHLY COMPETITIVE SALES MERCHANDISE
C. A LIBERAL COMPENSATION PLAN . . . INCLUDES

1. Free Hospitalization
2. Group Insurance up to \$6,000
3. A Non-Contributory Pension Plan
4. Disability Benefits

The progress of Pan-American Life Insurance Company is measured by the ability and success of its agency organization.

CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-President & Agency Director



For Information Address
CHARLES J. MESMAN
Superintendent of Agencies

PAN-AMERICAN
LIFE INSURANCE CO.
NEW ORLEANS, U. S. A.



"Big Red" he was called. In two years he made twenty-one starts, winning twenty times, finishing second once. He was a winner. He was a CHAMPION.

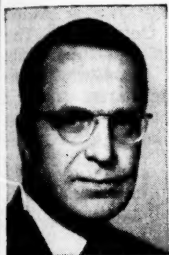
United Benefit, another winner. In 20 years, it had half a billion of life in force. In 25 years, \$877,000,000. ONE BILLION JUST AHEAD for this CHAMPION.

UNITED BENEFIT
LIFE INSURANCE COMPANY
OMAHA

N. W. Mutual Soars to New Heights; '52 a Record Breaker

Fitzgerald Highlights Best Year Ever at Eastern Regional

NEW YORK—President Edmund Fitzgerald got Northwestern Mutual's big eastern regional convention here off to an enthusiastic start by his announcement that the company, even on the basis of preliminary year-end figures, had already exceeded the record year of 1946 in paid business. He also mentioned the many other ways in which 1952 was a bountiful year for Northwestern.



Edmund Fitzgerald

That evening, at the dinner, Grant L. Hill, vice-president and director of agencies, read a telegram giving the exact figure—\$490,356,000, which beat the 1946 record by 4% and bested 1951 by 16%. He mentioned also that it was 108% above 1941, the last pre-war year, and equivalent to 7½% of the company's currently in-force insurance. Mr. Fitzgerald also spoke briefly at the banquet, congratulating the field force on their record and paying tribute to the agents' wives for their part in bringing it about.

Toastmaster Willard Griffin, superintendent of agencies, introduced Superintendent Bohlinger of the New York department. He drew quite a laugh by his opening words: "Mr. Toastmaster, Mr. Fitzgerald, and all you people who are making so much money in the life insurance business." There was further laughter as he remarked that New York City's bus strike apparently hadn't kept anybody away from the meeting and added, "but obviously you ride in Cadillacs and not in buses."

Mr. Bohlinger spoke highly of David B. Fluegelman, president of National Assn. of Life Underwriters, who is an agent of the Krueger & Davidson agency of Northwestern Mutual in New York City. Mr. Fluegelman was seated beside Mr. Bohlinger at the head table. Mr. Fluegelman was introduced and spoke briefly.

In a talk at the opening session, President Fitzgerald said that the company's coverage is sold to the segment of the population that can best afford to buy and is distributed well among groups who have need for life insurance. Quoting figures from a University of Michigan study, Mr. Fitzgerald said 51% of Northwestern's policyholders are college alumni as against 17% for a control sample of policyholders of all companies; 55% are in the professional, white collar, self-em-

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Harry Barsantee Named as Travelers Advertising Chief

Harry Barsantee has been promoted to manager of the public information and advertising department at Travelers. He joined Travelers in 1926 as supervisor of the news-bureau, was named an assistant manager of the department in 1948 and associate manager in 1952.



Harry Barsantee

Mr. Barsantee is a graduate of the University of Wisconsin school of journalism and was a newspaper man at Madison and Milwaukee. Before going with Travelers, he was in advertising and public relations work at Chicago for seven years.

During the second war, he served on the headquarters staff, army air forces, as chief of field services, office of flying safety. He was separated from active service as a lieutenant colonel and holds that rank in the volunteer air reserve.

He has been active in civic circles as promotion and publicity director of the Greater Hartford Community Chest in 1948, and has headed and served as publicity director of the United Negro College Fund drive. He is chairman of the press committee of Life Advertisers Assn.

Schmoll Metropolitan 3rd V. P. on West Coast

Louis J. Schmoll has been advanced from assistant vice-president to 3rd vice-president at the Pacific Coast head office of Metropolitan Life. He joined the company at the home office in 1911. When the Canadian head office was established in 1924 he was made assistant secretary there in charge of the ordinary department. He was transferred to the Pacific Coast head office in 1930 and placed in charge of the ordinary department. Mr. Schmoll's promotion to 3rd vice-president was included in the company's recent announcement of executive promotions but was inadvertently omitted by THE NATIONAL UNDERWRITER in publishing the list.

Bankers National Scores Sizable 1952 Gains

Total paid production for 1952 for Bankers National Life jumped 55% over the company's 1951 figures, and pushed the 1951 in force rate up \$33,595,000 to \$224,057,000, a 12% gain. The new in force figures represent an increase of 91% over 1950.

Ordinary business rose 30%, driving ordinary insurance in force up 50% over 1951. The company's average paid for policy was \$6,295.

Call Off Merger of Constitution Life with Bankers L. & C.

Coincident with his withdrawal of application for the merger of Bankers L. & C. with Constitution Life, John MacArthur, president of Bankers, has made a deal with Sterling Ins. Co. of Chicago whereby Bankers as of Dec. 31 acquired \$1 million in annual premiums of life business from Sterling in exchange for \$9 million of Bankers' A. & H. premiums, the latter on a co-insurance basis. Bankers will collect premiums and service the A. & H. business taken over by Sterling.

The California department has received notice of withdrawal of the application for a permit for merger of Constitution Life at Los Angeles with Bankers Life & Casualty of Chicago. Bankers L. & C. has also withdrawn its application for a certificate of authority to transact life and disability insurance in California. Notice of the withdrawal came telegraphically from Chicago.

Stockholders of Constitution on Dec. 23 voted to approve the proposed merger, but suit to prevent it had been filed by Jennison Heaton of Pebble Beach, Cal., a former director of Constitution to restrain Commissioner Maloney from approving it. Heaton also asked the court to issue an injunction against the merger and further asked damages of \$219,000 from officers of both companies and from former officers of Constitution.

David Norwood, examiner for the California department, who has been participating in an examination of Bankers L. & C. has retired from that duty and is on his way to California to make a report to Commissioner Maloney.

Morrison Retires from L.I.A.M.A.

Laurence S. Morrison, research consultant of Life Agency Management Assn. retired at the year's end after nearly 25 years with the association. Although he is giving up his full-time duties, he will continue to accept special consultation assignments with life companies.

He was honored with a luncheon on his final day in the office, as well as at the LIAMA staff Christmas party, and received many gifts including round-trip railroad tickets to California for himself and Mrs. Morrison.

Mr. Morrison joined the association in 1928 and was appointed director of research in 1939, continuing in that post until 1945, when he was made research consultant. He developed a system of determining agency costs and agency profit now in wide use by companies, and is the author of many association publications. He went to LIAMA from U. S. F. & G. at Los Angeles.

United States Life was the 20th company to join H. & A. Underwriters Conference in 1952, bringing total membership to 187.

Bohlinger Offers Plan to Get Major 213 Changes Passed

Agents' Pay Tops List; Less Urgent Measures Would Be Postponed

By ROBERT B. MITCHELL

NEW YORK—Concerned at the possibility of section 213 revisions losing the race against the legislative clock, Superintendent Bohlinger of New York has proposed to the companies' committee that efforts now be concentrated on getting the expense limitation law changed in seven respects which he believes to be the most pressing and letting the rest go over until next year for action.

Discussion of the industry reaction to Mr. Bohlinger's proposal follows this account of his views.

Under this plan there would be bypassed the less urgent matters and some others, such as the revision of general expense limits, which he believes are too complex to be solved in the limited time remaining in this session.

The points on which Mr. Bohlinger is anxious to see action taken at this session are increasing agents' compensation limits; making it easier for smaller companies to expand their agency operations; permitting agents of general agency companies to be paid 55% graded first-year commissions, the same as managerial companies' agents, without penalizing the general agent's overriding; easing the present stringency of the expense voucher requirements; extension of the 1948 emergency relief measures for another year; authorization of training allowances; and a penalty provision that would permit the superintendent to impose penalties less drastic than are provided under the present law.

Mr. Bohlinger's special concern is for the agents and the smaller companies. He is sympathetic to the agents' requests for an increase in the compensation limits and suggested to the companies' committee that there might be a moderate increase in the limits through use of part of the collection fee that companies are permitted to pay on business from the 15th year onward. This is a maximum of 3% and discounted on a 3½% interest basis it has a present value of about 10½% of one year's premium. One-third of this—leaving 2% for service fees, which is in line with the practice of some companies—would be 3½% of one year premium.

If this were augmented by, say, 1½ to 2% of a year's premium this would produce an increase equivalent to about 5% of one year's premium. However, the department would want about 3½ of these five percentage points reserved for security benefit purposes, with the remainder available for increasing the agent's take-home

(CONTINUED ON PAGE 18)

"FIRST IN THE U. S."**John Hancock Hitches Its Inter-Office Phones to Central Dictation Recorders**

By ROBERT B. MITCHELL

BOSTON—For letter-writing in the modern mode home office, you just pick up the regular inter-office telephone, dial a number, and you're set to dictate right into the telephone, your words being recorded on a machine in the central transcription department in another part of the home office.

There's an extra button on the handset that you use for starting and stopping the recorder. If you want to hear what you have just dictated, so you can pick up your train of thought after an interruption, you just dial a number and the machine backs up far enough so you can catch the last 20 or 30 words. There's a number to dial which marks the instruction slip to warn of corrections and another to indicate the end of a letter so the girl doing the transcribing will know roughly how long the letter will be and set it up on the sheet accordingly.

It's said to be the first such system in the entire country. It's not the first time recorders have been hitched to telephones for remote-control dictation, but it's unique in using existing wiring and telephone instruments. On a big installation, like the Hancock's, where between 300 and 400 phones are being equipped for dictation, the cost saving is obviously very substantial.

Workability of the plan has been fully tested in an experimental installation, which has now been made permanent. Additional phones are being modified and transcription machines added as fast as the job can be done.

Incidentally, while the plan is to put a control button on every inter-office phone whose user will have occasion to do any appreciable amount of dictating, the button isn't essential. It's just an additional convenience, for the recorder can be started and stopped by dialing certain numbers. Thus, it will be possible for anyone in the entire home office who has an inter-office phone to dictate to the central recording machines.

The ratio of dictating machines to letter-writers using the system is usually about one to 10. This usually provokes the question: Aren't there going to be times when a lot more people want to dictate than there are machines available? The answer is that it's been found that if the number of machines needed has been sensibly selected in the light of the observed work-load pattern, there are very few "collisions" and they are of little practical importance.

The system automatically selects the first free machine in the "bank" or group, which usually has five to ten recorders in it. The dictator hears a single "beep" note, signifying that he can go ahead and dictate. If no machine is available at the moment, he hears a regular telephone "busy" signal.

While the Hancock setup will have about 34 recording machines, these will be divided into several banks of varying numbers of machines, the division being arranged to promote the highest degree of efficiency and the least chance of "collisions." Users will be assigned to certain banks by assigning them numbers to dial that will

connect them to their own bank. Thus, the work load for a given bank can be varied by giving some of the users a new number to dial that will connect them to a different bank. It would, of course, be possible for anyone to "muscle in" on another bank if no machine were available on his own bank, if he knew the number to dial.

To release the recorder so someone else can use it, it is only necessary to hang up the phone. This automatically also makes the "end" mark on the instruction slip, so it is not necessary to dial the number for "end" at the end of the last piece of dictation.

Besides the savings due to using existing wiring and handsets, there is a big saving in having to buy and maintain only one machine for approximately every 10 dictators. This doesn't necessarily mean, however, that there is a 90% reduction in number of dictating machines, for in most offices a dictating machine would be shared by several dictators if they didn't have occasion to do much letter-writing.

Besides obvious cost advantages, the system has the great merit of expediting the output. Dictators are encouraged to pick up the phone and get the letter off at once, rather than waiting for a batch of dictation to accumulate. Where the usual type of central transcription department is used, the ten-

dency for dictators is to fill up a record before sending it for transcription. Thus, a letter dictated at 9 a.m. may not go to the transcription department till noon. The Hancock system promotes a more even flow of work and tends to level out the load peaks in the transcription department, besides getting the finished material back to the writer sooner.

One thing that can't be sent over the wire, of course, is the sheaf of correspondence that the dictator is answering and which the transcriber is supposed to refer to. It has been found that the electronic dictation, via the telephone, is of sufficiently high fidelity that there is rarely any need for the typist to refer to anything. Of course, where written material is needed, as for copying extended passages, it can readily be sent to the central transcription department.

About 40 transcribing machines will be used in connection with the Hancock's remote control recording system, but actually there will be considerably more than that because individuals doing exceptionally heavy amounts of dictation will still have their own dictating machines and transcribing typists.

In addition to the Hancock type of setup, there are two other remote-control dictation systems. The simplest involves a recorder hooked up to several phones connected only to the recorder. The other employs a separate automatic switchboard for the sole use of recording equipment, a special phone being installed at the desk of each person using the system.

At present, the Hancock hookup can be used only where the office has an

(CONTINUED ON PAGE 19)

**NLRB Reverses Self, He
State Farm Agents
Called "Employees"****Collective Bargaining Election
Is Ordered for Cal. Producers
of Illinois Insurers**

National Labor Relations Board at Washington has reversed itself and now holds that the California agents of the State Farm companies of Bloomington, Ill., are employees within the meaning of the labor relations act and that an election must be held within 30 days to determine their wishes on collective bargaining representation. Previously, NLRB held that the agents constituted independent contractors and such an election need not be called.

Complainant is Insurance & Allied Workers Organizing Committee. The opinion is applicable to all the agents in California for all the State Farm companies selling life, auto, fire, or whatnot.

NLRB in its new opinion asserted that the agents are under the supervision and control of district managers. They are governed in their selling and servicing by the instruction of company manuals and underwriting aids. They must submit official forms covering all business transactions and detailed reports. The new men especially are expected to attend meetings that are set up. Agents may take no final action without home office approval. The compensation of agents is a unilateral determination on the part of the companies. Life agents who are terminated cannot solicit insurance until they get new employment. Terminated agents are barred from soliciting old policyholders.

The opinion went on to insist that the emphasis on sales quotas and the incentives designed to "pressure" agents into obtaining goals establish that the agents are salesmen whose output is subject to the dictates of the employer. Agents can't place risks with other companies in lines written by State Farm. Their advertising is subject to censorship. The recruiting, financing, and training of new agents, along with a course in life insurance available to experienced agents, and the social security and retirement plan, the opinion said, all point to the employer's purpose to develop and maintain a skilled, permanent body of employees. It is clear that the agents constitute an integral part of the employer's business without which the employer could not function. The agents constitute an appropriate unit for collective bargaining, the opinion concludes.

The case was reopened by NLRB on the plea of the union that it had new evidence.

In the decision of March 20, 1952, favoring State Farm, the members of the board said they agreed with the assertion of State Farm that the agents are independent contractors because they are subject to control only as to the results and not as to the details of performing their functions. They went on to say at that time it was clear that the right of the insurers to exercise control over the methods and man-

**The
COMMONWEALTH
Commentary****600 Million in 1952**

Last month Commonwealth Careermen put their company over the \$600 million mark.

In terms of the number of months required to accumulate each \$100 million of the first \$600 million, here is the box score:

The 1st \$100 million—	271 months
The 2nd \$100 million—	182 months
The 3rd \$100 million—	44 months
The 4th \$100 million—	28 months
The 5th \$100 million—	26 months
The 6th \$100 million—	18 months

We salute our Commonwealth Fieldmen on this remarkable achievement.

INSURANCE IN FORCE, December 1, 1952 — \$604,357,681



The Doorway to Security

COMMONWEALTH
Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

Health Insurers Blast Altmeyer's Critical Statement

Distorts Insurable Health Bill, Fails to Give Balanced Picture

NEW YORK—Health Insurance Council, representing A. & H. insurers, has voiced outspoken criticism of Social Security Commissioner Altmeyer's statement about health insurance which was reported in last week's issue of THE NATIONAL UNDERWRITER and widely quoted in the daily newspapers. The Health Insurance Council said Altmeyer's figures on the adequacy of health insurance failed to give a balanced picture, especially in view of the six-fold increase since 1941 in the number of people having health insurance protection.

The report "is a perversion of statistical information," according to George F. Lull, secretary and general manager of American Medical Assn. He charged that the "facts put forth are misleading, and are insulting to the intelligence of the American people." Dr. Lull asserted that "someone played with statistics and presented them in a way that implied there was a dire need for compulsory health insurance—a program that everyone knows has been given top-priority for years by Administrator Ewing and the federal security agency."

"Health insurance benefits, including those of Blue Cross, Blue Shield and a variety of independent plans, account today for more than twice the share of the nation's insurable health bill with which Mr. Altmeyer credits them," said Ralph T. Heller, 2nd vice-president of Prudential and chairman of Health Insurance Council. "The commissioner has used a figure of \$10.6 billion to represent the past year's insurable health bill of the nation. Actually, at least half of the items which make up this sickness bill are generally cared for outside of health insurance."

Taking into consideration such items, Mr. Heller said that \$5 billion was a closer estimate of the nation's insurable sickness bill, and added: "Tremendous progress has been made in the span of a few years in bringing this bill under the protection of health insurance." He pointed out that one-day illnesses, absences from the common cold, other short-term sickness, absences covered by sick pay, the needs of millions of people provided for by government, such as the armed forces and the institutionalized population, for example, should not be included in the potential of health insurance.

"It is not for the public interest for health insurance to cover all medical-care costs from the trivial expenditures to the luxury services," Mr. Heller said. "Its goal should be simply to provide such benefits as may be required in the individual case to prevent necessary medical expenses or wage loss due to sickness from becoming a financial hardship. We should evaluate health insurance in its proper setting as one of several important methods of meeting the cost of medical care, the others including direct payment from personal income or by employers and,

for the needy, private charity and public assistance."

He also pointed out that the health insurance benefits do not represent the aggregate of sums available from insurance coverages, as large amounts are also channeled to American families, to aid in meeting sickness costs, from workmen's compensation insurance, the disability provisions of life insurance, fraternal benefits and automobile and other types of liability insurance.

"In contrast to the dismal picture painted by Mr. Altmeyer, the growth of health insurance has been amazing and has aided materially in enhancing family financial security," Mr. Heller added. "More than 90 million people in the United States now have some health insurance. This is nearly three times the number covered at the end of World War II and six times the number covered at the outset of that war."

"Health insurance recognizes that there is much remaining to be done. But it is doing a much larger proportion of the job than the commissioner's figures indicate. Moreover, each year about 10 million additional persons are acquiring health insurance protection. Those with health insurance protection today have much more adequate coverage than they did only a few years ago. And some of the types of coverage, such as catastrophe or major medical expense insurance, are quite new and are just starting to be used in large volume. With the astounding progress in insuring the sickness bill of the country which has been shown in the past decade, it is more in order to be gratified by this rapidly expanding bulwark of protection and to look ahead to still further progress."

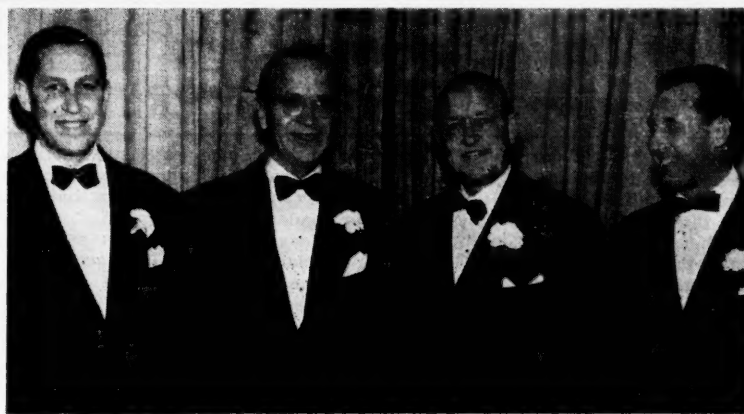
Setting up about the same objections, Dr. Lull contends that "facts are presented in a way to be misleading." For example: to arrive at percentages, Mr. Altmeyer applied benefits paid by voluntary health insurance plans to the total medical care bill paid in the U. S. each year.

"This gives a false impression because (1) it includes the bills paid by all those who did not have insurance, many of whom did not choose to buy insurance, and (2) it fails to consider the many sources of payment of medical bills other than health insurance plans, for example, workmen's compensation insurance, liability insurance, accident insurance, life insurance, and the thousands of bills paid by private philanthropic foundations, health foundations and community and governmental agencies."

"To present an honest picture of the value of voluntary health insurance, the federal security agency should have determined the amount of dollar benefits paid in proportion to the total health bills of only those who were covered by health insurance."

"The presentation of these data at this time is an obvious attempt by a lame-duck administrator to discredit the voluntary health insurance programs."

Motor Finance Corp. has placed with Mutual Life a 4.58% of \$2 million subordinated note, due in 1961. Of the proceeds, \$1,300,000 will be added to the company's working capital and the remainder will be used to refund a \$700,000 subordinated note now held by Mutual Life. Motor Finance and its subsidiaries specialize in financing the purchase and sale of automobiles.



Northwestern Mutual has the distinction of having four heads of life insurance organizations among its field and home office personnel. Pictured here, they are, from the left, David B. Flugelman of the Krueger & Davidson agency, New York City, president of National Assn. of Life Underwriters; Edmund Fitzgerald, president of Northwestern Mutual, who is chairman of the Institute of Life Insurance; Grant L. Hill, vice-president and director of agencies, who is president of L.I.A.M.A.; and Harry Krueger, president of the New York City Life Managers Assn. The picture was taken at the annual dinner of the Life Managers Assn., at which Mr. Krueger presided.

TO AID SMALLER ASSOCIATIONS

Tape Recordings of Speeches Soon to Be Made Available from NALU Library

The many smaller associations, often described as the backbone of the National Assn. of Life Underwriters, soon will be able to hear prominent speakers whom they otherwise might not be able to obtain for their meetings, through the use of tape recordings.

Newell C. Day, general agent for Equitable of Iowa at Davenport, Ia., and chairman of N.A.L.U. speakers bureau committee, fostered the plan whereby speeches made at large association meetings will be recorded, edited, filed and made available from N.A.L.U. headquarters for the small associations at a nominal fee.

Mr. Day said that many smaller associations were having trouble getting speakers because of limited audiences and financial inability to pay speakers' traveling expenses. It seemed that a plan could be worked out that would make widely known speakers available to such groups, at the same time bringing tangible evidence of the National association's continuing interest in small associations.

Mr. Day conceived and developed the idea in his work in Iowa. He recorded talks given at the Iowa sales congress. Recordings of these talks were sent to small groups throughout the state. The plan's success indicated that it could be employed on a national scale and he fostered the program in the N.A.L.U.

The process of collecting the tape recordings for the library begins with the decision on whose speech should be recorded. After obtaining the speaker's permission to record it, the association before which he is to talk is asked to record the speech and forward the tape to National headquarters. The tape is then edited if necessary, to fit a 5-inch tape, which will run for about 30 minutes. One reason for editing the tape to 5-inch size is that that size is usable on all standard machines available in the United States.

The sponsors believe that since most churches, community centers and chambers of commerce possess recorders, there are few local associations that

will not be able to obtain them and use them to hear the speeches.

It is also hoped that agencies will use the tapes in the N.A.L.U. library, which will include five sales seminar talks recorded at Atlantic City and 12 speeches, at agency meetings. Further extension of the program to manager groups, using their talks on management problems, is expected.

While the small associations represent a minority of membership, they, nevertheless, represent a majority of local associations. These groups are also considered as belonging to the so-called "grass roots." As Howard C. Ries, Equitable Society, Everett, Wash., and membership vice-chairman for the associations with less than 100 members, says, "It is the small associations and their membership that are more important to the institution of life insurance from the standpoint of business and maintaining healthy public relations than any other factor in the business."

Laughlin Suggests Raise for Director and Others

Loren Laughlin, retiring insurance director for Nebraska, in his annual report to Gov. Peterson recommended that the director be paid not less than \$10,000 and urged that a review of the state's insurance laws be authorized by the legislature. The salary now fixed by the legislature is \$6,500. He further urged higher salaries for the chief examiner and actuarial examiners in the department—not less than a base of \$5,000 with a maximum of five annual increases of 10%.

Mr. Laughlin presently has a brief filed with the state supreme court seeking approval of a salary increase from \$5,000 to \$6,500 which was authorized by Gov. Peterson in 1951 but turned down by State Auditor Ray Johnson. Mr. Johnson based this action on an opinion challenging the constitutionality of the raise written by Attorney General Beck's office.

Official Urging, Life Company Trend Leave Fraternals Cool to Entering A.&H.

Neither the advice given several months ago by Deputy Superintendent Murphy of the New York department nor the rush of life companies to get on the A. & H. bandwagon appears to have produced any perceptible trend in this direction among the fraternal societies.

Those societies that do not already write A. & H. have not changed their position, according to a survey of some of the larger fraternals conducted by THE NATIONAL UNDERWRITER. Of the 12 replying, six stated they did not and would not consider writing A. & H., three indicated that it was under consideration, three are already writing A. & H.

Despite Deputy Superintendent Murphy's belief that fraternals could bolster their membership position by writing A. & H., the general belief seems to be summed up by one fraternal executive who wrote: "Of the fraternals already writing A. & H. insurance, those having good experience are in a minority." Apparently many fraternals feel that A. & H. has special pitfalls for the fraternal type of operation.

Objections center around the necessity of developing a special underwriting department, and either developing an independent sales force or training present solicitors in the sales techniques of an entirely new line of insurance.

Mrs. Frances L. Torkelson, supreme oracle of Royal Neighbors, wrote: "The question of broadening out and entering a new field such as A. & H. has been discussed by our society a number of times. But as we have a number of new plans of insurance in force, that have not been thoroughly mastered by our field workers, we feel that we had better continue along as we are for the present at least."

Another executive said: "To issue a broad coverage (such as A. & H.) is, in our opinion, still a precarious field, at least for us. We recognize, too, that many fields of progress have certain elements of risk and that in order to progress risks must be taken." But he doesn't feel the risk here is worthwhile because of the experience of those fraternals already writing A. & H.

William E. Mooney, general attorney of Woodmen of the World of Omaha, said of the fraternals already handling A. & H., "Evidently some of them are not doing so well or the recent regulations from several insurance departments about the segregation of funds and a denial to such societies to draw on their life reserves would not have been issued."

The lodge system is considered a deterrent to the smooth functioning of A. & H. coverage. One fraternal execu-

tive said, "Since fraternal benefit societies maintain lodge systems, you can readily appreciate the harm that could be rendered by a dissatisfied member in a lodge meeting over the settlement of a claim on health and accident insurance which, because of its nature, must be interpreted strictly and technically on the terms of the coverage."

Another said, "Our local lodges would expect the society to be extremely liberal in processing claims. Familiarity with the accident and health insurance business has convinced us that there is a high incidence of claims by malingerers and by people during depressions. Because of our fraternal character you can readily see that any such member whose claim had been justly denied would immediately get his local lodge to proceed toward aiding him in collecting it."

Such a situation, he pointed out, would be in contrast to the society's present record, which shows only slightly more than one court case per 1,000 death claims for 1951. He said the society could not hope to maintain such an average with the usual type of A. & H. insurance.

Deputy Superintendent Murphy in his speech at the convention of the First Catholic Slovak Union, urged the fraternals to consider the possibilities of A. & H. coverage. He declared that it would be a means of rekindling interest of present members and adding new members. He said that because of the public interest in A. & H. and similar protection it would be an appropriate time to take advantage of this "newly awakened interest by developing A. & H. programs which would be likely to attract new and young members, and thus stem the tide of membership loss."

Among the fraternals already in the A. & H. field, one indicated that it sold A. & H. only to members and has not "attempted to promote the sale of A. & H. certificates for many reasons." The reasons were not given.

Of those answering the query, only one, the Croatian Fraternal Union, which has been writing A. & H. for its members for 30 years, took an optimistic view. V. I. Mandich, supreme president, said A. & H. "falls right into line with the policy of our society as a fraternal organization to protect and assist its members in any need, not only in the payment of death benefits. We firmly believe that this kind of protection has made possible the continued growth of our organization."

The Brotherhood of Railroad Trainmen merely acknowledged that it has been issuing A. & H. policies for several years. It did not indicate either favorable or unfavorable results from A. & H.



Shown here are the Provident Mutual Life officers involved in the executive promotions outlined in the Dec. 26 issue.

Seated, from left, are: Sewell W. Hodge, advanced from treasurer to secretary and treasurer; Thomas A. Bradshaw, recently vice-president and general counsel and now president; M. Albert Linton, formerly president and now chairman; Frank A. Savage, manager mortgage loans now vice-president and manager mortgage loans; Leon A. Hamilton, counsel, now general counsel.

Standing: Ottwill I. Benson, administrative assistant to the president; Robert G. Ward, formerly actuarial assistant and now assistant actuary; Roy G. Shubert, assistant counsel; Elmer S. Gaumer, assistant personnel director.

Northern Cal. Congress Full Card Announced

The Northern California Sales Congress program Jan. 15 at the Geary theater, San Francisco, will include a quiz run by Herbert W. Humber, associate general agent, Mutual Benefit Life; a talk by William Bruce, chief of the California department's division of examinations and financial analysis; a panel on A.&H. moderated by Robert E. Little, general agent of Paul Revere, with Charles H. Biesel, Union Mutual Life, S. S. Battleson, superintendent of agencies West Coast Life, and Marshall Goodmans, manager Provident Life & Accident, as participants, and a talk by V. John Krehbiel, Aetna Life, Los Angeles.

After lunch there will be a panel discussion moderated by James Banghart, supervisor New England Mutual, with J. W. Carrothers, Massachusetts Mutual, Leonard Stiller, Aetna Life, and Robert G. Wall, manager of Union Central, as participants. Miss Valerie Kuhn, head of a salesmanship teaching firm, will talk on the common denominator for success in selling. Closing speaker will be John W. Yates, general agent of Massachusetts Mutual at Los Angeles.

2 Companies Join LIAMA

Columbian Mutual Life of Binghamton, N. Y., and Nippon Life, Higashiku, Japan, have been elected to membership in the L.I.A.M.A.

Twenty-two new companies joined the association during 1952, including eight associate members in foreign countries. The association now has member companies in Argentina, Belgium, Brazil, Denmark, France, Hawaii, India, Japan, Mexico, the Philippines, South Africa, Sweden and Venezuela.

Pru Lets Contract for Steel for Its Chicago Building

Prudential has awarded to U. S. Steel the contract for fabrication and erection of the framework of the new Prudential Mid-America home office building at Chicago. About 31,000 tons of steel will be needed for the 41-story structure. Much of the steel will be made at the South Chicago and Gary works.

Ground was broken last August for the new building, which will rise over the Illinois Central suburban station. It is expected that the work on the caissons and foundations will take another eight months to complete. Erection of the steel framework will begin the latter part of this year and engineers believe it will take about a year to complete. The architects expect the building to be ready for occupancy in 1955, barring unexpected delays.

New Handbooks Issued for Minnesota, Nebraska

New, up-to-date Underwriters handbooks for Minnesota and Nebraska have just been published by the National Underwriter Co. These handbooks provide complete and up-to-date information on agencies, companies, field men, general agents, solicitors, groups and other organizations affiliated with insurance throughout these two states.

Premiums and losses by lines, within these states, for all fire and casualty companies and life insurance paid for and in force for life companies, are also presented in special, statistical sections. Copies of either may be obtained from the National Underwriter Co. at 420 East Fourth street, Cincinnati 2, O., price \$12 each.

Retirement Benefits Up 30%

Equitable Society has effected a 30% increase in retirement benefits for more than 900 retired agents and employees and has made it effective as of last July 1. More than 4,000 active agents and employees likewise receive a 30% increase in their retirement credits for service prior to 1941. Action was based on a study initiated more than a year ago.

Additional Dividend Action as Announced by Companies

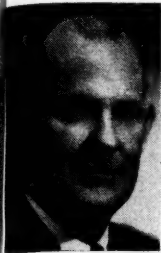
Funds Left With Company				Funds Left With Company			
Company	Current Policies	Old Policies	Accum. Div'ds.	Company	Current Policies	Old Policies	Accum. Div'ds.
Aid Assn. for Lutherans	Same as '52	Same as '52	2	Mutual Benefit	Revised	Revised	3
Bankers Life, Neb.	"	"	3	Mutual Life, N. Y.	11% Inc.	Same as '52	2.75
Bankers National	"	"	2.5	Occidental, Calif.	Same as '52	Same as '52	3
Business Men's	"	"	3	Ohio National	Increased	Same as '52	3
Guardian, N. Y.	"	"	2.5	Standard, Ore.	Same as '52	Same as '52	2.75
Home Life, N. Y.	Same as '52	Same as '52	2.85	State Farm	"	"	3
Imperial, Canada	(h)	(h)	3.3	Union Central	"	"	2.5
Monarch, Mass.	Same as '52	Same as '52	2.5 (b)				

(b) 2% with life contingencies. (g) Except term dividends increased. (h) 3% for payments certain arising from life income provisions in contracts prior to 1945. (i) Except interest income option, 2.75%.

Five Agency Heads Named by Mass. Mutual

Massachusetts Mutual Life has appointed Robert E. L. Choate general agent at Montgomery, Ala., succeeding Emil J. Meyer, and Landon B. Davies general agent at Baltimore, succeeding his father, John F. Davies. Messrs. Meyer and J. F. Davies have retired.

The company has also appointed Merton D. Custer general agent at Hempstead, L. I., and named Morris Brownlee general agent



Robert E. L. Choate



Landon B. Davies



Merton D. Custer

at Houston. Mr. Custer was formerly manager at Hempstead. Mr. Brownlee succeeds Davis Faulkner, who resigned to join a brokerage firm.

At the same time, the company has converted the Worcester, Mass., district office into a general agency and appointed W. Robert Johnston manager.

Mr. Choate has been with the company since 1947. He was formerly a colonel in the air force. Landon Davies joined the company in 1926, and became associate general agent at Baltimore in 1936.

Mr. Custer has been with the company since 1948, and manager at Hempstead since 1950. He is vice-president of Long Island Assn. of Life Underwriters, and an army veteran.

Since 1936, Mr. Brownlee had been general agent for State Mutual Life at Houston. He entered the business with Travelers at Dallas in 1927. He is past president Houston Assn. of Life Underwriters, and also a former air force colonel.

Mr. Johnston went with the com-



Morris Brownlee



W. Robert Johnston

pany at Newark, and became a supervisor before transferring to the home office as a training assistant in 1951. He is an army veteran.

Prudential Names McKillip

Prudential has appointed George W. McKillip assistant manager at San Diego, and Alvin E. Thomas manager for the new San Mateo (Cal.) district.

Mr. McKillip joined the company at

San Diego in 1950. Mr. Thomas was formerly staff manager at Long Beach. He went with the company in 1928 at Omaha, Neb. Both are veterans.

George A. Miller, former staff manager at San Bernardino, and Alfred J. Pechette, former staff manager at Oakland have transferred to Los Angeles as training consultants. Mr. Miller has been with the company since 1939, Mr. Pechette since 1945.

OASI, NSLI Budget Figures

WASHINGTON—The President's budget message to Congress estimates social security, welfare and health expenditures at \$2.6 billion in the fiscal year 1954. About \$15 million less than estimated for the current year.

NSLI and servicemen's indemnity are estimated to cost \$66 million.

Crown Zellerbach Corp. has sold its new one-story paper converting plant and office building at 2000 West avenue 137, San Leandro, Cal., to *Mutual Life*, the latter leasing back the building for 25 years with the option of renewal for another 50 years.

Doctor's Hourly Wages About Same as Skilled Laborer's, Survey Shows

The average family doctor in 1951 earned \$3.76 an hour, according to a survey of "Medical Economics," a business magazine for physicians. The survey assumed time and a half for overtime and double time for Sunday work, and credited the doctors with working about 75 hours a week.

The net income, before taxes, of family doctors in 1951 was \$14,098.

The magazine observes that "the interesting thing about this figure is its strong resemblance to current base pay for skilled union labor. Many bricklayers, for example, get \$3.25 an hour now a days. And if other workers earn less, and as medical specialists earn more, isn't this explainable in terms of degree of specialized skill?"

It is also pointed out that the average physician in private practice spent \$9,508 on operating expenses in 1951. This is a 24% increase from 1947 when expenses were \$7,200.

Office assistants' salaries cost the average doctor \$2,689 in 1951. Other

major expense items were drugs and supplies, \$1,966; office rent, \$1,149; automobile upkeep, \$882, and instruments and equipment, \$661.

The survey showed that doctors in small towns generally spend a higher percentage of their gross income on expenses than those in metropolitan centers.

New Insurer at Houston

American Country Life has been organized at Houston, Tex., with headquarters in the Esperson building there. The company will serve farmers and ranchers exclusively.

President is W. O. Cox, former manager of Houston Fat Stock Show, and past executive secretary of Better Texas Pastures, Inc. He at one time was executive vice-president of First American Life of Houston.

New York Life has purchased 1 million; *Mutual Life* \$75,000; *Massachusetts Mutual*, \$600,000, and *Bankers Life of Nebraska*, \$150,000, of \$2,500,000 debentures of West Coast Telephone Co., Everett, Wash. The 4½% series is due in 1977.

GOOD AVERAGE

is Continental Preferred

Physically: ... if applicant is good average;

Vocationally: ... if applicant is good average;

Morally: ... if applicant is good average in longevity prospects

THEN ... our Modified Life 3 is available on an extremely attractive net cost basis. Yet because it may be sold up to 600% of mortality, the producer does not risk loss of sales due to sharp distinction between "preferred" and "standard." Another Continental plus.

Continental

Assurance Company

310 S. Michigan Ave., Chicago 4

Associates: Continental Casualty Company Transportation Insurance Company United States Life Insurance Company

P. S. Term for diabetics . . . Something new . . . is available through Continental.

Wis. Ruling Opens State Life Fund to Negro Risks

The Wisconsin state life fund cannot refuse to insure a person merely because he is a Negro, even though actuarial tables show that race has a shorter life expectancy, the state supreme court ruled in a 6 to 1 decision.

Reversing a lower court decision, the high court held that a Negro applicant must be considered as an individual rather than a member of a race. Commissioner Lange, custodian of the state life fund, brought suit against the refused applicant, James Rancher, a Milwaukee Negro, in order to obtain an interpretation of the statute. Under the court order, Rancher is to be permitted to take out state life insurance if he passes other requirements.

The lower court had opined that the statute did not prohibit the commissioner from insuring Negroes, but that it did not "require" him to insure them. The trial court had refused to brand the commissioner's refusal to issue a policy as "arbitrary" until such time

as the mortality rates of the two races become substantially the same, or until new methods of classifying risks without regard to race have been devised and accepted in the insurance business.

The supreme court held, however, that the practices of private insurers are not controlling. Such companies are free to make their own regulations, the court said, "but when the state law requires the commissioner to grant a policy to persons who are residents of the state, he is bound to treat such applicants alike. He is not authorized to exclude all Negroes without absolute proof that their length of life is shortened solely because of their color or race."

The court stated it was not shown that racial classification is the only one which will achieve the purpose for which the life fund was created. It referred to evidence in the record that some Negroes whose applications are properly screened and evaluated would have a mortality equal to that of white persons. "Those applicants are entitled to insurance in the state life fund," it stated.

The dissenting opinion pointed out

that rejection of Rancher's application conformed with a policy established by predecessor commissioners, classifying all members of non-Caucasian races as substandard risks, and of refusing insurance to such persons at premiums based on the American experience table.

It further stated that issuance of insurance to substandard risks would violate the statute providing that "premiums for life insurance in the life fund shall be based on the American experience table, with additions for extra hazards."

MAY AFFECT PREMIUM LEVEL

It is possible that the supreme court decision could eventually result in higher premiums for all persons insured by the fund. Current actuarial tables show a shorter life span for Negroes than for white persons, with premiums adjusted accordingly.

Should the ruling give rise to a deluge of Negro applications of a magnitude that would adversely affect the fund's present mortality ratio, as actuarial tables indicate, it would be necessary to make up income deficiencies by spreading the cost among all policyholders.

DIRECTS STATISTICAL BULLETIN

Lew Succeeds Dublin for Metropolitan

Edward A. Lew has been named associate actuary and statistician of Metropolitan Life. As successor to the retired Dr. Louis I. Dublin, he will have responsibility for the company's monthly statistical bulletin which has a circulation of about 30,000. The statistical gathering operation Mr. Lew now heads is one of the largest in the country.

Born in London, Mr. Lew started with the ordinary department of Metropolitan shortly after coming to this country, transferring to the mathematical section of the ordinary actuarial division in 1926. In 1931, at the age of 22, he became a fellow of the Actuarial Society of America. For several years from 1946, the company assigned him to work with William Marshall Bullitt, life insurance lawyer who at one time was solicitor general of the United States, on lawsuits in connection with the question of Metropolitan's right to pay different dividends on policies with disability and double indemnity benefits. He was advanced to assistant actuary in 1939.

Toward the end of his army service in the last war, Mr. Lew was a member of the joint army-navy committee on National Service Life insurance, winning the Legion of Merit for his work in that connection. His public service also includes the positions of actuary and consultant to the federal medical services committee of the Hoover Commission, and consultant on aviation statistics to the department of the air force, as well as several in the public health field. He has been active on Society of Actuaries committees, and has appeared as a speaker before several life organization meetings.

New High for National, Vt.

Life insurance sales by National Life of Vermont totaled \$137,197,100 in 1952, a new high, and up 8.59% from 1951. Annualized premiums for 1952 amounted to \$5,934,501, a gain of 9.78% compared to 1951.

The Manchester, N. H., agency led in sales for 1952.

Many OASI, Other Life Insurance Bills in New Congress

WASHINGTON—Many bills affecting government life insurance, pensions, and social security have been introduced for consideration in the 83rd Congress.

Rep. Dingell, Michigan, minority member of the ways and means committee, proposes to amend OASI by providing persons insured under it their dependents, and survivors of deceased insured persons, with hospitalization insurance.

Provisions of the bill deal with eligibility for insurance, description of hospital service, free choice by patient arrangements with hospitals, and non-disclosure of information concerning individuals. There is also provision for hospital services under workmen's compensation, and provisions for administration of the act by states, and utilization of private non-profit organizations.

Mr. Dingell also introduced a bill to repeal provisions of the 1952 social security law relating to preservation of OASI, and the rights of individuals while permanently and totally disabled.

Several bills were offered by Cole of New York and others to amend social security to permit beneficiaries to earn \$100 a month without forfeiting benefits. Several resolutions were offered to create a special committee to study problems of the aged.

Rep. Keogh and Rep. Jenkins, Ohio, introduced bills to encourage private pension plans.

Mr. Keogh also offered a bill to exclude from gross income the first \$1,440 for each year, of all retirement pension and annuity payments, including OASI, received during a taxable year by any retired employee.

Mrs. Rogers, Massachusetts, prospective chairman of the veteran affairs committee, introduced several veterans insurance bills, including one to permit reinstatement of war risk yearly renewable term and government life by service-connected disabled World War I veterans under specified conditions.

Devereux Made Manager: Other Provident Changes

Provident Mutual Life has opened a second agency in Boston with offices on Copley Square. The company has appointed Edward R. Devereux as manager of this agency and a New England territory which includes the Providence, R. I., and Worcester, Mass. offices at their present location.

Mr. Devereux entered the life insurance business with Equitable Society. He is a C.L.U.

Also announced was the appointment of Walter S. Brokaw as general agent emeritus in Providence and Samuel J. Gummere as associate general agent and Roger W. Sherwin as supervisor of the Worcester agency. Mr. Gummere has been general agent of the Worcester office for the past 18 years.

Mr. Sherwin has had a number of years' experience in the life insurance business, the last several of which he served under Mr. Gummere in Worcester.



"It's your minister . . . He claims you know more about his congregation than he does!"

Bankerslifemen Really Know How to Qualify Prospects

The amount of knowledge Bankerslifemen develop for qualifying a prospect is terrific . . . but, admittedly, it is doubtful that they often are ahead of their ministers on this score.

The economy in time and effort that can be accomplished through qualifying a prospect thoroughly is drilled into Bankerslifemen during their training period. Then, through both training and supervised activity, they are shown how to develop the information that lets them spend their time with qualified prospects.

Yes, Bankerslifemen are told and shown how to be the kind of life underwriters you like to know as friends, fellow workers or competitors.

BANKERS Life COMPANY
DES MOINES, IOWA

Consult Better Business Bureaus on Military Base Solicitations

WASHINGTON—Commanding officers of military bases are being given the green light by the Defense Department to seek the aid of local Better Business Bureaus in dealing with solicitations by life insurance agents at military, naval and air force posts.

Replying to a letter from Jasper M. Rowland, industry relations director of Assn. of Better Business Bureaus, Mrs. Anna M. Rosenberg, Assistant Secretary of Defense, wrote:

"The offer of your facilities to help protect the individual serviceman is greatly appreciated. The three military departments have been advised that this department considers it appropriate for the commanding officer to contact Better Business Bureaus located in their vicinity when they are in doubt of the reliability of any insurance concern."

R. J. Chapman, Veteran National Underwriter Salesman, Retires

Robert J. Chapman, who for nearly 20 years has traveled Iowa, Idaho, Montana, Nebraska, North and South Dakota, Wyoming and part of Colorado for the National Underwriter Co., has retired on his doctor's orders. He is succeeded by Richard F. Black.

Mr. Chapman marked his 20th year with the National Underwriter Co. in October. He started with the company at Des Moines in 1932, after having been with Rough Notes Co. At first he traveled a limited field but gradually his territory was enlarged to embrace seven states.

Mr. Black will take over all of Mr. Chapman's territory except North and South Dakota, in place of which he will handle all of Colorado. His headquarters will be at Omaha. He served in the Pacific during the last war and after that went to college in Tennessee for three years. He was with Zurich at Chicago as a group salesman, and later was with that company in Pittsburgh. He joined American Equity group of Miami in 1951 as special agent in Georgia, Florida and eastern Tennessee with headquarters at Atlanta.

Central Standard Names Jennings District Manager

Central Standard Life has appointed Harry C. Jennings, agency assistant since his return from Korea last October, district manager at Gary, Ind.

Before his recall to active duty in 1951, Mr. Jennings had been with the company at South Bend, Ind. In Korea he assisted in the training of a R.O.K. artillery battalion, and spent six months on the line with this unit.

Expect Early Hearings on OASI Disability Waiver

WASHINGTON—Congress is expected to hold hearings soon on the proposal to waive OASI premiums for permanently disabled workers. However, American Medical Assn. notes that if the proposal of Sen. Taft is adopted for a commission to study

social security and related matters, the OASI matter will not come up for consideration. This would mean expiration on June 30 of the provision in the latest social security law for premium waivers that was accompanied by a proviso prohibiting applications for such benefits until July 1, 1953.

A. M. A. has announced its support of a proposal for a federal board of hospitalization, with a view to integration of federal medical activities and programs, with some exceptions.

Senate action is also expected in this Congress on the resolution of Sen. Bricker of Ohio designed to head off imposition of socialized medicine through treaties of International Labor Organization.

A. H. U. M. Hears Reichardt

William C. Reichardt, Wisconsin sales manager of Firestone Tire & Rubber Co., was speaker at the January meeting of A. & H. Underwriters of Milwaukee.

At the meeting of the Madison association, the movie "How I Raised Myself from Failure to Success in Selling" was shown.

75% of K. C. Life Building Windows Broken by Blast

An explosion believed to have resulted from ignition of natural gas in a restaurant across the street from the home office of Kansas City Life destroyed about 75% of the glass in the Kansas City Life building.

The Frank Stephens agency of Mutual Benefit H.A. and United Benefit Life, which adjoined the restaurant, was destroyed by fire. The loss to furniture and fixtures in the Stephens agency is estimated at \$10,000. Total loss caused by the explosion and fire is estimated at \$500,000.

To Issue Individual Cover

St. Louis Blue Cross-Blue Shield plans will in the near future issue policies to individuals. The 93 counties in Missouri served by the St. Louis plans have been divided into 10 areas for successive enrollment, beginning at Sedalia. Anyone under age 60 and in good health and unable to enroll for the plan through established groups will be eligible for enrollment on an individual basis.

Plan Merger of Two Nebraska Insurers Jan. 20

Transfer of the business of Dependable Accident of Falls City, Neb., to Nebraska National Life of Lincoln has been approved by the state insurance department. The transfer will be made Jan. 20 following favorable action at the annual meeting of Dependable Accident.

Dependable Accident has more than 1,000 policyholders. It was formed four years ago by a group at Falls City that was headed by Ralph H. Hogan.

Nebraska National Life as of Dec. 31, 1951, had assets of \$842,059, capital of \$154,880, and net surplus \$108,587. Its insurance in force was \$8,812,449. It was organized in 1946, and in 1951 control was acquired by Leonard H. Engstrom, who is now president.

Hear School Superintendent

Mrs. Margaret A. Huff, superintendent of Gumbert School for Girls, addressed the Jan. 5 meeting of the Pittsburgh Assn. of A. & H. Underwriters.

And Now— COMMERCIAL A & S

Again, the Lincoln National man finds his prospect field enlarged by a new coverage. This time, it's a complete line of Commercial Accident and Sickness policies.

These new Commercial policies make A&S benefits available to men in almost every

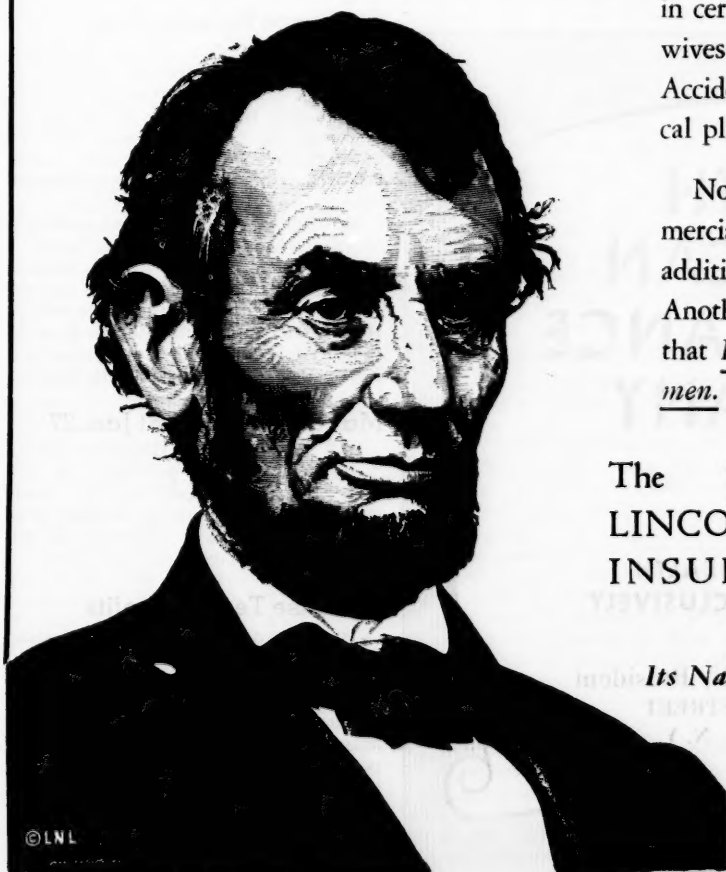
occupation and to employed women in certain classifications. Even housewives and children are eligible for Accident only and hospital and surgical plans.

Now, the LNL man has both Commercial and Noncancellable A&S in addition to a full line of Life policies. Another reason for our proud claim that LNL is geared to help its field men.

The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne 1, Indiana

Its Name Indicates Its Character



© LNL

Importance of Choosing Right Agent is Theme of Article in Coronet

A boost is given in the January issue of Coronet to the agent who "helps the policyholder get the most out of his present insurance."

This is the agent assured should seek out to handle their insurance programs, author Ray Giles states. Mr. Giles, a free lance writer, is a retired Mutual Benefit Life agent and wrote the book, "Begin Now to Enjoy Tomorrow" for that company.

Although directed toward the policyholder, the article offers several tips for the agent. Primarily, Mr. Giles says, the agent must be informed about the particular personal problems of his assured.

"To plan for the future intelligently, you should first know what you have at present," Mr. Giles tells the policyholder, and adds, "This is where the agent comes in. A good one can explain what you have in... insurance."

Mr. Giles draws a comparison between a baseball player, who needs immediate heavy insurance to cover his limited high earning period, and a young doctor, whose earning capacity will increase as he grows older and more experienced, and then adds: "This explains why it is important to have an agent you can confide in. He must know all about your affairs to give you his best advice."

The agent can help in other ways, too. He can suggest that the policyholder use his yearly dividends to increase his protection, rather than to reduce his premiums, thus attending to additional family needs without increasing budget requirements. The agent can help widows with their insurance problems since many women lack investment experience.

The assured may be glad to know,

too, that in most states today insurance income cannot be attached by creditors.

Informing the agent of any change in marital or financial status always helps, too, Mr. Giles stresses. He urges a review, by the assured and the agent, of the former's policies in the event of a new baby, the death of a beneficiary, changes in employment, or in any other case which may indicate a change in coverage.

Often, too, purchase of new insurance is not the result of new responsibility or change in status of any kind, but rather stems from the realization that more coverage is desired, and in this case, too, the agent can help. As Mr. Giles says, "Careful reading and discussion with your agent of the terms of the new and old policies may disclose advantages in the old which are not readily noticeable."

Tells Why Cuba Lags in Sale of Life Insurance

One of the reasons Cuba is lagging behind other nations in the sale of life insurance is that its role is not being sufficiently publicized, according to Gostavo Godoy, vice-president of La Metropolitana Compania Nacional de Seguros of Havana.

Mr. Godoy, who recently visited the United States, making arrangements for reinsurance, spent some time studying the home office operation of Southland Life.

He said that there is no advertising of life insurance done in Cuba other than the publication of annual financial statements. Cubans are partial to the high premium endowment policies, he pointed out, which is one of the reasons that only 1% of the country's five million populace, or about 50,000 persons, carry life insurance. The comparable figure in the U. S. is 55%.

Mr. Godoy described his 30-year old company as the largest life insurer in Cuba.

\$4 Billion Put into Mortgages in 1952

Nearly \$4 billion of life insurance funds went into the financing of real estate mortgages in 1952, it is estimated by Institute of Life Insurance. It brought total mortgage holdings of life companies to about \$21,275,000,000 under more than 2 million individual mortgages. The greater part of these are home mortgages.

New mortgages financed by life companies, estimated at \$3,975,000,000, did not bulk up as large as in the previous year, when \$5,111,000,000 went into this channel, but they have been greater than reported in any year excepting only 1950 and 1951.

The post-war home construction boom, which reached its peak in 1950, continued during 1952. In the seven years since World War II ended, more than \$25 billion of mortgages have been financed by life companies, the net increase in mortgage holdings being \$14,640,000,000, more than twice the amount outstanding at the end of 1945.

FHA mortgages accounted for \$850,000,000 of the year's new mortgages and comprised \$5,700,000,000 of the year-end holdings.

VA mortgages amounted to \$450,000,000, and compared year-end holdings came to about \$3,350,000,000, not including VA farm mortgages.

Farm mortgages of all types reached \$375,000,000, with total farm mortgage holdings exceeding \$1,675,000,000.

Other mortgages, including those on homes directly financed by companies, and those on commercial and industrial properties, comprised \$2,300,000,000 of the 1952 new financing and add up to \$10,550,000,000 of the year-end holdings.

Total mortgage holdings of life companies now represent 29% of total assets; in 1945 they were 14.8% of assets.

Snyder to Houston Post

Reginald Snyder, district manager at St. Louis of American Hospital & Life, has been transferred to Houston as manager. He succeeds G. M. Parks, who was the first agent appointed by the company 20 years ago and is now retiring as manager to devote himself entirely to personal production.

Mr. Snyder was the second manager appointed by the company and has held managerial posts at Fort Worth, Kansas City and St. Louis, in addition to two executive positions at the home office. He has been very active in the A. & H. field and is a former president of St. Louis Assn. of A. & H. Underwriters.

Managers Banquet Jan. 27

Life Managers & General Agents Assn. of Columbus will hold its annual leaders banquet Jan. 27. Each agency will entertain its leading producer. Dick Gross is chairman of the committee in charge.

Increase Tenn. Benefits

The Tennessee Blue Cross-Blue Shield Plan has increased from 10 to 100% its benefits for surgical operations, the amount varying by type of surgery. Participating physicians have agreed to accept plan benefits as full payment for services within certain income brackets, and \$4,200 maximum family annual income has been set as the figure for which this will be done. The old amount was \$3,600. No rate increase is contemplated.

JOSEPH MALZO'S VIEW 1940 Unrealistic as Norm for Real Estate Values

NEW YORK—It is unrealistic to appraise real estate on the basis of 1940 values when indications are that the economy will continue to prosper rather than returning to the 1940 level, according to Joseph Malzo, mortgage officer of Union Labor Life.

Mr. Malzo, who is immediate past president of the Society of Residential Appraisers, says that a good many appraisers show by the way they make their estimates that they assume 1940 was a normal year and that the present figure is abnormal. However, Mr. Malzo feels that the economy is expanding, that prosperity will continue, and that there is no reason to fix on 1940 as the norm.

Besides such factors as the continuous rise in the population with consequent need for more and better homes, there are such influences as the rapid obsolescence of many homes and the large amounts of individual savings which would provide a strong cushion against economic fluctuations.

Loses Suit Charging Agents With Leverage in Selling

Ohio supreme court has refused to review two suits for a total of \$220,000 which the Gallagher Co., Toledo dry cleaning firm, and its president, John J. Gallagher, brought against New York Life and three present and former agents. The court's action thus upholds lower court decisions that Mr. Gallagher had no basis for his damage claim.

Mr. Gallagher charged that New York Life and the individual defendants had made a contract to install an efficiency system to increase gross business of his dry cleaning firm to \$500,000 a year, in consideration for the right to sell \$200,000 worth of insurance to company officers and employees. Counsel for agents contended successfully that Ohio's anti-rebate law for insurance companies made the contract illegal, so that no suit for its breach could be enforced.

Toronto Life Managers Assn. has elected Howard C. Graham president.

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

Insures

The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

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President

L. J. BAYLEY
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HOME OFFICE — SYRACUSE, N. Y.

NORTH AMERICAN REASSURANCE COMPANY

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REINSURANCE EXCLUSIVELY

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161 EAST 42nd STREET
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Truman for More Old Age Assistance

WASHINGTON—President Truman in his message on state of the union pointed to greater old age insurance benefits as one factor in answering the postwar question on the future of social progress.

Among bills proposed are a number to provide direct federal pensions of \$100 per month to certain citizens 60 years or older; to extend OASI to people in agriculture and to state and local government employees already covered by other retirement systems, also to employees of federal home loan bank, to repeal the OASI tax on account of service performed by persons 65 years or older; to establish federal departments of social security and education and health; to provide benefits for totally disabled persons under the social security act; to increase OASI benefits; to make 60 the OASI retirement age; to repeal the \$75 per month OASI "work clause"; to investigate desirability and feasibility of a national retirement system.

Other bills propose to assure the right to judicial review in certain circumstances under the National Service Life act; to create a veterans insurance corporation in VA to manage U. S. government life and NSLI; to relieve military personnel from refunding to the government life insurance premiums and interest thereon, guaranteed under soldiers and sailors civil relief act; to provide for NSLI premium refund where the insured failed to apply for waiver.

Reps. Keating and Hand offered bills providing for credit of subscription charges for premiums with respect to health or medical service plans, prepayment health programs, or health or medical insurance for federal income tax.

A bill by Rep. Sieminski would exempt from income tax certain policeman and fireman pensions.

Dean to State Farm as Regional Director

Myron E. Dean, senior consultant of L. I. A. M. A., has been appointed regional director in the agency department of State Farm Life. With L. I. A. M. A. since 1949, Mr. Dean specialized in consultation work with member companies. He was on the teaching staff of the schools in agency management and is the author of several L. I. A. M. A. field publications, including "Selecting the Career Man" and "Management and Your Future." He was an editorial adviser on District Management Magazine and a member of the editorial committee for Manager's Handbook. He served as staff representative on the cooperation with other organizations, membership, combination companies and quality business committees.

Educated at Hendrix College and Arkansas State Teachers College, Mr. Dean entered life insurance as a Metropolitan Life agent at Little Rock. After coast guard service he joined Union Life of Little Rock in 1945 as a home office field supervisor, moving later to American United Life as an agency manager. He served as president of the Little Rock C. L. U.

Mutual Benefit Life will hold its annual meeting at the home office at Newark, Jan. 19.

Advertising Beamed At Buyers Enhances Agency's Prestige, Makes Recruiting Easy

Postal Life's three-month personalized advertising campaign in Rochester, besides assisting the James Hamill agency to increase its production, helped solve the agency's recruiting problem.

Paul Duling, director of sales promotion, says the campaign, which pictured local agents and policyholders in the advertisements, succeeded in building up the prestige of the agency. It also enabled Mr. Hamill's agency to climb from seventh to fifth in sales among Postal agencies.

Toward the end of this advertising campaign Mr. Hamill placed two classified "ads" in the local paper. The want ads, run without any direct reference to the campaign ads, stated men were wanted to work as agents in an outstanding agency where they would find prosperous and secure employment.

Mr. Duling said there was a "phenomenal response" to these classified advertisements. Nearly 150 interviews resulted. A high percentage of these recruits scored "A" on the aptitude tests. At one time there were 13 prospective agents in the office waiting for interviews. Eight men were chosen as agents and two of them are so well qualified that they are being considered for a

supervisor position.

Mr. Duling said the agency hired "very, very good men" and it is well satisfied with the new agents. However, only two months have passed since they were hired and no definitive results are available.

The first series of classified ads was run consecutively on Friday, Saturday and Sunday, the second series on Saturday, Sunday and Monday. The latter pulled more candidates. Mr. Duling said this was because they read the ad on Sunday or Monday and appeared at the agency before the motivation to do so was lost.

Mr. Hamill is planning to run a full-page advertisement in the local paper the middle of January. Pictures of all the agency's agents will be included. The copy will say one of the agents can help the reader. It will ask the reader, "Which one?"

Further proof of the success of this advertising campaign, which Postal Life officials believe will start a new trend in life insurance advertising at the local level, is shown by the fact that part of the sales story of the annual report of the American Newspaper Publishers Assn. bureau of advertising will deal with this campaign.

Guardian Has Coupon Book Plan for Monthly Premiums

Guardian Life has adopted a coupon book system for the payment of monthly premiums. All policyholders with policies on the monthly premium basis will receive coupon books covering the next 12 months after the 1953 policy anniversary. Thus it will take a full year to convert all the existing business to coupon books. New policies sold on the monthly premium basis will come under the new plan immediately upon payment of the first premium.

Included in the coupon books will be gummed labels, addressed to the company, which may be used with any plain envelope to mail the monthly payment.

Set Cards for Meetings of H.&A. Conference Groups

Group and hospital-medical committees of H. & A. Underwriters Conference are completing plans for the annual meeting at the Drake hotel, Chicago Feb. 2-4.

Group Committee Chairman R. C. Knoblock, 2nd vice-president of Washington National, outlines discussion subjects as including problems of adequacy of premium, the degree of liberality to be applied to the group coverages offered, and ways and means of exercising closer controls on administrative and claim costs.

Hospital-medical conferees, under Chairman Don R. Hodder, assistant secretary of Woodmen Accident, will consider rising costs, the Columbus, O., individual hospital admissions plan, and current hospital problems.

A panel of insurance executives will probe duplication problems in hospital and medical coverage from underwriting, claims, Blue Cross, and management points of view.

Lt. Comdr. John P. Hanna, conference associate managing director on leave to the navy, will be welcomed back.

Independent L. & A. to Start Work on Skyscraper Home

Independent Life & Accident plans to start construction on its new skyscraper home at Jacksonville, Fla., within the next few weeks. The company will occupy the basement and the first four floors of the 17-story building, Jacksonville's tallest, which is expected to cost between \$3 million and \$4 million.

The structure will occupy an L-shaped piece of land covering 16,800 square feet. Independent Life's printing plant and storage facilities will be located in the basement, thus centralizing the company, whose plant had been located in a building separate from its former five-story office.

Floors above the fourth will recede about nine feet on all sides, providing terraces for executive offices. Indiana limestone, imported Swedish granite and emerald pearl will be principal exterior materials. Windows will be of aluminum. Four elevators will service the new building, in which upper floors will be available for rental.

Steve Booke Joins Cage

Steve Booke, business and financial editor of the Houston Post has joined Jack Cage & Co. as vice-president in charge of public relations and advertising. He will handle work for Insurance Co. of Texas, Life Insurance of Texas, Continental Union and ICT Discount Corp.

For 2½ years before joining the Post, Mr. Booke headed his own public relations firm at Houston. Prior to that, for five years he was senior editor of Magazines of Industry at New York. He was with Advertising Age at one time and started on the New York Daily News.

An aptitude meeting was sponsored by Oklahoma A. & M. Insurance Club at which prospects in the insurance business were discussed by Albert Wahle, general agent for New England Mutual Life at Stillwater.

Whorf Now Senior LIAMA Consultant

L.I.A.M.A. has promoted William H. Whorf to senior consultant. He joined the company relations staff as a consultant in 1951 after having been a group representative and later a field supervisor for Paul Revere Life.

Besides consultation work, he will cooperate closely with the L.I.A.M.A. A.&H. committee. He is a member of the agency management schools staff and of the Manager's Handbook editorial committee. He is author of "The Third Hazard," an A.&H. booklet, and another soon to be released. He is a graduate of Amherst and a marine corps veteran.

Prudential Dividend Scale Revised for 1953

Prudential has revised its 1953 dividend schedule for ordinary policies. The scale in effect during 1952 has been adjusted by increasing dividends payable in later policy years and decreasing those payable in early years.

Compared with what would have been paid in 1953 if the present scale had been continued, the adjustment in general produces larger payments for policies issued before 1942 and no change for policies issued from 1942 to Oct. 14, 1951. For policies issued on or after Oct. 15, 1951, payments will be small than under the existing scale. However, on most of these policies the new scale provides for dividends that will be higher than those under the present scale as soon as sufficient reserve funds have been accumulated to give effect to present higher interest returns.

The rate of interest to be credited on policy proceeds left with the company to be held at interest or paid in installments certain has been increased. For interest periods ending in 1953 the rate will be 3% but not less than the guaranteed rate. For settlements under option 2 at rates in effect Dec. 1, 1940 and later, some additional interest will also be allowed (during the installment certain period) on account of the reserves held to provide the life income after the certain period.

The rate of interest to be credited on dividends left with the company has also been increased. For interest periods ending in 1953 the rate will be 2¾% but not less than the guaranteed rate.

The practice of paying termination dividends on cash surrender of weekly premium, intermediate and ordinary policies will be continued during the coming year. A new feature is that dividends will be payable on weekly premium and intermediate policies issued in 1942 which terminate by death during 1953. Certain ordinary policies issued since 1942 which terminate by death or maturity in 1953 will also be eligible for termination dividends.

Boadway Resigns Detroit Post; to Be an Agent

Harold A. Boadway has resigned as general agent of Paul Revere Life at Detroit. He will now devote his time to personal production.

Mr. Boadway, president of Michigan Assn. of A. & H. Underwriters, is a past president of the Detroit association.

Mutual Trust Life has applied for a license in California.

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EDITORIAL COMMENT

Assembly Line Techniques Might Help

To a production engineer, doubtless one of the strangest aspects of the life insurance business would be the fact that the sales side of it has made so little use of production line techniques. The typical ordinary agent has to be not only an expert salesman but an efficient executive in managing his own operations, a good prospector, perhaps a direct mail expert, and maybe something of a technician in the field of estate planning and pensions. This is roughly comparable to merchandising automobiles by giving a workman the parts necessary to build a car, having him put it together and then having him go out and sell it and thereafter keep it serviced.

The way that such a primitive method would skyrocket automobile costs as compared with modern assembly line techniques is obvious to anyone, but the use of similarly primitive methods in life insurance merchandising is taken for granted because that's the way it's always been done.

A couple of years ago Charles J. Zimmerman, managing director of L.I.A.M.A., suggested that eventually life insurance would be serviced by service specialists and not by the agents who sold the business. The growing difficulty of obtaining recruits who can handle the increasingly complex and varied phases of life insurance sales and service work would appear to make even further subdivision of functions a step in the direction of increased efficiency and lower costs.

It takes little imagination to perceive the difficulty that automobile manufacturers would have if they hired as salesmen only men who were good at selling cars and also capable of assembling them from the component pieces. It shouldn't take much more imagination to figure that maybe if a good life insurance salesman could concentrate on selling, which he is good at, and leave other phases of the distribution process to others better fitted for it he would be spending much more of his time at peak effectiveness, would be happier in his job, and more likely to stick at it instead of turning to some other line of work.

When it is considered how many different roles an agent has to fill successfully if he is to make a decent living, the surprising thing is not that the turnover among agents is so high but that it is no higher than it is. For not only must he wear all these different hats but often must be a capitalist as

well unless his general agent or company takes care of all the financing.

There is need for a functional study of how agents operate. Certainly it would be found that there are many agents for whom the present multi-function role works quite well. But it would almost certainly also be revealed that the typical agent spends an appalling amount of time in comparatively low-paid types of activity. He offsets this by the fact that when he is doing what he does best—selling—he is engaged in very high-pay activity. But how much better off he and his agency and his company would be if he were able to spend all or nearly all of his time at what he does best.

Many of the better agents realize this and have arranged their procedures, often after an early period of confusion and discouragement, so that most of the detail work is taken care of by a good secretary. But the very fact that he can effect such an arrangement means that such an agent has considerably more organizational ability and probably more working capital than the average. Without them he might have been just as good a salesman, perhaps even better, but might have drifted out of the business because of not knowing how to organize his time and delegate the detail work. A study of the sort referred to here would disclose how agents work in their various roles. It would show how they distribute their time and how much of it they are putting in on work that could probably be handled more efficiently by competent clerical help.

There is no telling what interesting findings might come from such a study. It might be found, for example, that a general agent or manager could run a more efficient shop by having pre-approach telephoning, prospecting, approaching, and closing handled by experts in these various functions rather than by one agent doing the job from start to finish. Such a system would have the advantage of permitting the manager to exercise much better control over the relative amounts of time distributed to these different functions, rather than merely hoping that each of the individual agents would distribute his time on a sensible basis among his varied roles.

An advantage of such an arrangement, at least in the early stages before it became generally adopted, would be that a man who was a specialist in some one phase, such as prospecting or

closing, would not be likely to be attracted to some other agency where he would have to handle the entire range of functions, for which he probably would not feel himself fitted. But even if this assembly line procedure were to come into general use, it still probably would have a deterrent effect on proselyting. For if a specialist were a member of a smoothly functioning team he would be likely to be aware of the value to him of his teammates' work and would be more reluctant to switch to a new connection than under the present system, in which he would tend to feel he could move his entire operation as a self-contained unit.

Not the least advantage of the plan described here would be its effectiveness in showing up inefficiency in the use of time. Under the present system it is altogether too easy for an agent to delude himself into believing that when he is shuffling prospect cards, mailing out calendars or handling other routine tasks he is doing an essential part of his work. But if he were freed from everything except selling it would be inescapably borne in on him that when he was not selling he was not doing his job.

There would be of course those who would not care for this departmentalization of the distribution job and for

many agents doing well on the present basis there would be no particular point in changing over unless they felt they could make more money or find greater pleasure in their work.

One reason for believing there might be something to this departmentalization, however, is that so many excellent systems have been worked out in the life insurance business for handling various functions of the distribution job that it seems a pity more of them cannot be employed more widely. Human nature being what it is, it seems unlikely that many of these worthwhile systems will ever be adopted if they are left up to the individual agents. If a general agent, manager or company were to set up an assembly line procedure, however, the chances would be much greater that other agency heads and companies would adopt it.

As for the practicability of the idea, it seems reasonable to suppose that unless there is some magic in having an agent carry through the sales process from start to finish there should be greater efficiency and cost savings in having special jobs handled by specialists, with detail work being handled by clerical personnel rather than by a salesman who could be earning a much higher rate of pay by being in the presence of a prospect.

PERSONAL SIDE OF THE BUSINESS

Leland F. Lyons is one of three new field vice-presidents of New York Life



Leland F. Lyons

whose promotions were reported last week. The others are G. Thomas McElwath and V. V. Van Leuven. Mr. Lyons, formerly assistant vice-president in charge of group sales, will head the northeastern division. Robert S. Hussey, former Philadelphia manager, becomes superintendent of agencies at the home office.

Mr. Lyons joined New York Life as an agent at Albany, N. Y., in 1930, was made assistant manager in 1931, and six years later became manager of the northern New York branch. In 1940 he was made manager at Binghamton, and in 1942 manager at Buffalo. He went to Boston in the same capacity in 1944, two years later being named Philadelphia manager. He went to the

home office a year ago.

Mr. Hussey joined the company in 1938 as an agent with the Maine branch. In 1946 he was made manager of the New Hampshire office, and two years later manager of the New Long Island branch, going to Philadelphia last year.

Webb Follin, Jr., John Hancock Mutual Life, has been elected to the board of governors of Nashville Junior Chamber of Commerce.

Walter W. Canner, president of the Hoey & Ellison agency of Equitable of Iowa in New York City, has been re-elected president of the Trinity College Alumni Assn. of New York.

Ray B. Lucas, counsel for Kansas City Life, and O. R. Jackson, president of Postal Life & Casualty, have been named honorary colonels on the staff of Gov. Donnelly of Missouri.

President John MacArthur of Bankers Life & Casualty of Chicago was presented with a colonel's commission on the staff of Gov. Kennon of Louisiana while at Baton Rouge for a sales roundup. Also commissioned were H. Clyde Reeves, vice-president of that company, and Kenneth Ash of New Orleans, Louisiana state manager. Addressing the convention, Commissioner Martin of Louisiana, who is

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BOSTON 11, MASS.—207 Essex St., Rm. 421. Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.

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CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales

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NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Howard J. Burrage, President.
Louis H. Martin, Vice-Pres. & Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

on the present no particular unless they feel money or fine work.

ing there might be some departmentalization of many executives worked out in the handling of distribution jobs of them can be widely. Human it seems to be worthwhile.

Although he did not enter life insurance business until age 51, **Andrew Wierengo** has achieved the remarkable record of producing one application or more every week for his 19 years with Continental Assurance. He is district agent at Grand Rapids and the oldest active agent in the company's field force, celebrating his 70th birthday recently. Before joining Continental, Mr. Wierengo had already had a full career with Standard Malleable Iron Co. of Muskegon Heights where he worked for 30 years, the last eight as president.

Commissioner Navarre of Michigan is suffering from minor knee and leg injuries as a result of an automobile accident New Year's eve. He was en route to his home at Jackson from Lansing and alone in his auto which collided with another car at a farm house driveway. He is expected to return to his office in a few days.

Marion L. Shugart, agent for Connecticut Mutual Life at Council Bluffs, Ia., has been named by Gov. Beardsley as a member of the Iowa development commission. Mr. Shugart, a former mayor and councilman, is a past president of Council Bluffs Life Underwriters Assn.

Harry A. Chipman, former manager at Columbus, O., for Equitable Society, was married at Columbus to Miss Genevieve Taylor, referee in the juvenile court.

John A. Maginn, a district manager for General American Life at St. Louis, was injured seriously when he lost control of the automobile he was driving on Pershing avenue and it crashed into a concrete post. He was admitted to the Starkloff Memorial hospital for

treatment of head injuries and a fractured left ankle.

Chairman **Lewis W. Douglas** of Mutual Life has been elected a director of Newsweek magazine.

Walter J. Maginn, secretary and comptroller of Mutual Benefit H. & A. has been elected to membership in the Controllers Institute.

Evelyn Shuler, who is celebrating her 10th anniversary as director of public information for Penn Mutual, has been elected eastern vice-president of American Public Relations Assn.

International Institute in Philadelphia and served as president of the institute in St. Paul before the Robertses moved to Philadelphia when Mr. Roberts became president of Fidelity Mutual. For many years she worked with her husband as past president of the national organization of Community Chests and Councils. Mr. Roberts is president of the United Defense Fund of Philadelphia, a job she shared. Mrs. Roberts studied music and obtained a certificate in music at the Fontainebleau Conservatory in France. She was soloist with the Minneapolis Symphony Orchestra when Eugene Ormandy was its conductor.

CLIFTON RATLIFF, who was formerly Oklahoma state manager for the old Reserve Loan Life, died at Raymond, Miss., at the age of 76.

ALFRED C. NEWELL, former general agent at Atlanta for Columbian National Life, died there at 81. Mr. Newell, who retired several years ago, was a former president of Atlanta Life Underwriters Assn. He had been an invalid for some time.

F. HAROLD GOUCHER, 55, who had been manager of the Halifax branch of Manufacturers Life since 1930, died in the Victoria General hospital there. Mr. Goucher joined Manufacturers Life in 1919 on his return from overseas after the first world war. In 1930 he succeeded his father, the late O. P. Goucher, as manager of the Halifax branch.

AUSTEVE P. PHILLIPS, 80, a director of Gulf Life and a brother of E. L. Phillips, president of that company, died at his home at Atlanta.

ROLAND M. HILLMAN, 58, division head in the controller's department of New York Life, died at his home in Scarsdale. He joined the company as a clerk in Springfield, Mass. when he was 18.

MRS. WALKER BUCKNER, widow of the executive vice-president of New York Life, died at her home in New York City.

OSCAR M. CURB, 65, assistant vice-president of American National, died at an infirmary at Galveston, Tex. He had been with American National 38 years.

MRS. E. A. ROBERTS, 55, wife of the president of Fidelity Mutual Life, died at Hahnemann hospital, Philadelphia, after a brief illness. Mrs. Roberts the former Adair McRae, was a past president and board member of the

security number, a clear description of the nature of the business, and net income. Rentals, stock dividends, interest on bonds, and capital gains are generally not to be included.

If the self-employed is of a profession excluded from social security, the net income from the profession is not reported. However, income from another business should be reported.

The baffling problem of trying to get the public to understand the difference between social security retirement benefits and those provided by an insurance contract was tackled the other day by President M. Albert Linton of Provident Mutual. Coming to the aid of a New York Herald Tribune reader who had written to the editor, Mr. Linton wrote a letter which was printed in that paper, explaining that in essence the old age part of the OASI system is a plan by which those

(CONTINUED ON PAGE 19)

Linton Gives OASI Explanation

5 Million Under \$5

Between the first of the year and the March 15 income tax deadline, some 5 million business men and women will go on record as being insured under social security, according to Thomas M. Galbreath, social security manager at Chicago.

Schedule C of the income tax return will report net income from self-employment for old age and survivors insurance for the second time since self-employed people became covered under social security.

Business people self-employed this year and last will acquire insurance protection for their families in event of death. Additional work will be necessary to qualify for retirement benefits, however, unless the individual was born before July 1, 1890.

Since future benefits are based on reports of 1952-51, it is important, Mr. Galbreath emphasizes, that the tax return be correct and complete. It should include the individual's name, social



Portrait of H. Ladd Plumley, president of State Mutual Life, painted by the internationally known artist Alfred Jonniaux. It was unveiled for company directors and other invited guests at a special ceremony and is to be hung in the directors room of the home office along with former presidents of State Mutual.

CENTRAL STANDARD LIFE

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All forms of Life • Accident & Health

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Chairman of the Board

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President

NEWS OF COMPANY MEN

Union Mutual Elects Russ, Anderson Vice-Presidents

Robert C. Russ, who is now agency vice-president, has been named vice-president of Union Mutual Life in charge of group and employee benefit sales. Kenneth L. Anderson, formerly senior consultant of L.I.A.M.A., has been elected vice-president and manager of agencies. Both appointments are effective Feb. 15.

Mr. Russ, with Union Mutual for six years, joined the company as assistant manager of its group department in December, 1946, following his discharge from the navy. He entered the



Robert C. Russ



Kenneth L. Anderson

insurance business with Travelers. Later he was with Connecticut General. Prior to entering the service he had been with the group department of John Hancock.

He was appointed assistant director of agencies for Union Mutual in 1947, and became director of agencies in 1949. He was named as agency vice-president in 1950.

Mr. Anderson entered the business in 1935 with the Lewis C. Sprague agency of Provident Mutual in New York City. In 1938 he was appointed agency supervisor, and in 1941 was promoted to assistant general agent, the position he held at the time he joined L.I.A.M.A. in 1949.

Mr. Anderson served with the army air corps. He is a well-known speaker on life insurance subjects. He is staff representative on L.I.A.M.A.'s large companies committee and on the institutional advisory council on life underwriter education and training, and is also a regular member of the teaching staff of the schools in agency management.

Frisbie, McQueen Advanced by Massachusetts Mutual

Massachusetts Mutual Life has advanced Henry H. Frisbie, underwriter, to assistant underwriting secretary, and Carroll G. McQueen, agency assistant, to assistant director of agency costs.

Mr. Frisbie joined the calculating de-



Henry H. Frisbie



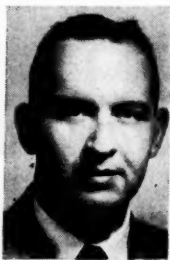
Carroll G. McQueen

partment in 1931, and entered Louisiana State University in 1933. He re-joined the company in the underwriting department in 1937, and became an underwriter in 1948. He is a veteran.

Mr. McQueen went with the auditing department in 1930, and transferred to the agency record department in 1938. He was appointed agency assistant in 1948. He also is a veteran.

Three Named to New Posts at Republic National

Republic National Life elected two new directors, E. H. Wagner and Rex Beasley, and Robert P. Brady was appointed assistant secretary and actuary of the reinsurance division.



R. P. Brady

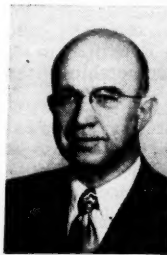
Mr. Wagner is presently administrative vice-president and actuary. He was actuary of Alliance Life for 10 years before it was reinsured by Republic National in 1949, when he joined Republic.

A member of the Actuaries Club of the Southwest, he received his Ph.D. from the University of Michigan, where he at one time taught mathematics.

Mr. Beasley, who is President Theo. P. Beasley's son, first went with Republic National Life seven years ago, working in the accounting, agency, public relations and advertising de-

partments, and for the past three years has been connected with the investment department.

Mr. Brady, who has for the past six years been an associate in the con-



E. H. Wagner



Rex Beasley

sulting actuarial firm of Haight, Davis and Haight, graduated from St. Thomas College, St. Paul, Minnesota, in 1943 with a B. S. in mathematics.

He is a member of the Insurance Institute of Nebraska and served in the navy during the last war.

Mutual Benefit Raises Ward to Vice-President

Mutual Benefit Life has advanced William F. Ward, 2nd vice-president since last July, to vice-president for the department of issue.

Mr. Ward joined the mathematical department in 1933, later rising to associate mathematician.

He is chairman of the company's committee on employee benefits, and a member of the committee on retirement plans and training.

He is a fellow of Society of Actuaries, and chairman of Actuaries Club of New York City.

Goode Loyal Protective's Sales Promotion Chief

W. R. Goode has joined Loyal Protective Life as director of sales promotion, and will also have charge of advertising and sales promotion. He has been active in that field since 1926.

He joined Mutual Trust Life in 1929 and was transferred to the agency department in 1935 as director of field service.

In 1945 he joined Provident Life & Accident as advertising and sales promotion manager but for family reasons returned to Chicago in the spring of 1951 to handle the advertising and promotional work of United of that city.

He has long been active in Life Advertisers Assn. serving as secretary of the Southern Round Table in 1949 and vice-chairman in 1950.

R. L. Block Elected V.-P. of No. American Accident

Robert L. Block has been elected vice-president of North American Accident of Chicago. He will be active in

the investment department.

Mr. Block was formerly in the Chicago office of Harris, Upham Co. of New York, and for three years has been investment counselor for North American. He graduated from Iowa State University in 1922, and from the university's law school in 1924. Following that he practiced law for eight years at Davenport.

O. M. Wilhelm Promoted

Oliver M. Wilhelm, field supervisor for Phoenix Mutual Life, has been promoted to field manager with headquarters at the home office. A veteran of the last war, Mr. Wilhelm joined the Rochester agency of Phoenix Mutual in 1947. He was appointed an executive field underwriter, and in 1950 was selected for the company's supervisor training class. He then went to the company's Philadelphia and Buffalo agencies.



O. M. Wilhelm

Swenson to Pyramid Life

Norman V. Swenson, assistant life actuary for the North Carolina department for two years, has resigned to become assistant secretary of Pyramid Life of Charlotte.

COMPANIES

Great-West Life Writes 11% More Business in '52

Great-West Life new business in 1952 totalled \$327 million, an increase of 11% over 1951. Contributing to this total were the December results of \$21,600,000. The company's total business in force, which had passed the \$2 billion mark in June, reached \$2,131,000,000 at the end of the year. This represents a gain of \$240 million for the year.

For the 15th consecutive year, the Earl M. Schwemm agency, Chicago, led all Great-West branches, having marked its 102nd consecutive \$1 million month by year-end, and recorded total new business for 1952 of \$25,400,000.

Minnesota Mutual Reports 1952 Best Year in History

Minnesota Mutual Life reports more than \$100,269,000 of new ordinary paid business for 1952, the largest year in the company's history. The best previous year was 1947 when \$92,766,824 was paid for.

Total new paid business for 1952, including group, amounts to over \$161,000,000, new December business being \$424,633,000 in 1953. The company's insurance in force is expected to surpass the billion dollar mark.

Final OK to Pru Minn. Deal

MINNEAPOLIS—With only one dissenting vote, the city council of Minneapolis has given final approval for construction of a \$6 million Prudential regional home office building here.

A change in zoning was approved to permit the building. The district court previously had approved the sale of the



William F. Ward



W. R. Goode

Money Talks

It Says - Good Producers will See a lot more of me with No Increase In Effort with a Mutual Savings Life

DIRECT CONTRACT

DIRECT CONTRACT opportunities in Indiana, Ohio, Iowa, Kentucky, Missouri, Arkansas and Mississippi. A complete line of:

LIFE

- ACCIDENT
- SICKNESS
- HOSPITALIZATION

Your reply held confidential. Write to:
J. DeWitt Mills, Supt. of Agents

MUTUAL SAVINGS

Life Insurance Company

5701 WATERMAN
ST. LOUIS 12, MO.

ent. rly in the Ch Upham Co. of ree years ha elor for North ed from Iowa, and from the in 1924. Fol law for eight

Guarantee Mutual Life Has 1952 Record Gains

December paid life insurance in Guarantee Mutual Life exceeded the same month of 1951 by 55.6%, bringing new business for the year up to 19.2% in excess of new life business for 1951. Also during December, A. & S. sales gained 115.8% over December, 1951 and for the year a gain of 60%.

The Carl M. Leonard Tulsa agency, led for December and the Anthony Novara Detroit agency was the highest producer for 1952, while Joseph A. Tripoli of the same agency led in paid volume.

Old Faithful Life of Wyo. Soon to Offer Stock

An offering is to be made shortly after Jan. 10 of 100,000 shares of the company that is being organized at Cheyenne, Wyo., known as Old Faithful Life. The par value is \$2 and stock will be sold at \$5 to provide \$200,000 capital and \$300,000 net surplus. The authorized capital is 250,000 shares.

Don Correll, one of the organizers, ran the general agency at Kearney, Neb., for three years for American Reserve Life, later was assistant to the president of that company, then was director of agencies of Eagles National Life. He is past president of Central Nebraska Assn. of Life Underwriters and graduated in the 1950 school of agency management at Colorado Springs.

Another organizer is Robert H. Johnson, who was formerly California state manager for Continental Casualty. Donald M. Starnes, another organizer, is a prominent attorney of Cheyenne.

Crown Cuts Annuity Rates, Adds Insurance Benefit

Crown Life has reduced its rates for annual premium retirement annuities and has added a guaranteed insurance benefit which may be attached to retirement annuity contracts when such contracts are issued as part of a pension trust plan. The addition of the insurance benefit increases the death benefit from a return of premiums (or the cash value if greater) to \$1,000 (or the cash value if greater) for each \$10 of monthly life income guaranteed for 10 years provided by the retirement annuity at the maturity date. Premiums for the benefit are payable only for the period during which the benefit is effective. The separation of the insurance benefit is also planned to make it convenient to allocate cost between the employer and the employee.

Begin N. Y. Life Examination

Thirty-two examiners from the New York department have begun counting more than \$3½ billion worth of bonds and stocks in the subterranean vaults of New York Life as the first step in a regular triennial examination.

In the process of tabulating the million dollar bundles of negotiable securities brought to them from the inner vaults, the examiners will also have counted some three million shares of miscellaneous preferred and common stocks valued at more than \$200 million. They will then move to an adjacent vault and begin analyzing more

than \$1¼ billion worth of mortgage loans.

A team of about 35 state examiners, including three actuaries under the direction of Associate Examiner John D. Byrne, will take space in New York Life's home office, until the examination, usually a year long, is completed. About 20 examiners will be engaged throughout the entire period.

Dixie L. & A. in New Home

Dixie Life & Accident has now moved into new home office quarters at 1301 Scott street, Little Rock. This is the old home of former Attorney General George W. Murphy. Remodeling of the place is still under way.

In New Houston Building

Southern States Life has moved into its new building at 3400 Montrose, Houston, Tex., a structure offering 40,000 feet of floor space. Exterior of the new building is of colorosa marble and Texas limestone, and mahogany paneling has been installed in halls and executive offices.

The floor plan of the two-story build-

ing was designed by L. E. Cowling, president, and his two sons, R. E. Cowling and R. L. Cowling, vice-presidents. The new office structure contains a coffee bar, lounge, inter-communication system and piped-in music. It is air-conditioned throughout.

Franklin Ups Dividend

Franklin Life has declared a dividend of 70 cents a share payable Jan. 21 to stock of record Jan. 10. The dividends have been paid semi-annually and the last disbursement was 45 cents.

Offers Evening Sales Courses

Dr. James F. Bender will present two courses at Columbia University's evening short course program beginning Feb. 9 at Rockefeller Center in New York City. The first, a clinic for sales managers, will deal with selling success techniques to a sales staff. The second, for working salesmen, will deal with the development and delivery of a sales talk. Registration for the courses, by mail or at the university office, begins Jan. 19.

Bragg Not Quitting Guardian Life Post

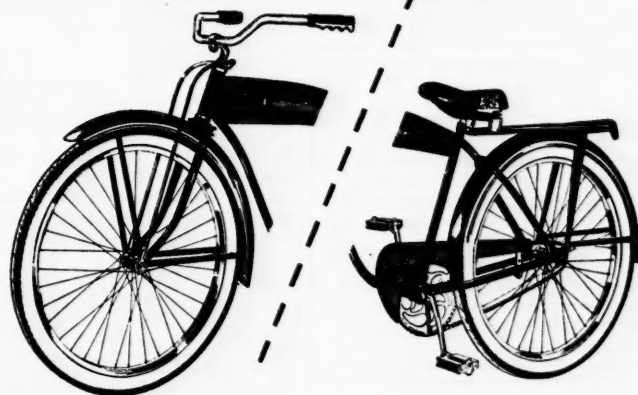
NEW YORK—An erroneous headline in last week's issue made it appear that James Elton Bragg, general agent in New York City for Guardian Life since 1933, was leaving the company and that Channing Davis, associate manager of the agency, was becoming manager.

Mr. Bragg, a recognized authority in the pension planning field, will continue as a general agent for Guardian, but as stated in the news article, is relinquishing agency building and supervisory responsibilities in order to concentrate on the development of pension consultation service. The agency will continue to be in Guardian's home office building, but in new quarters. The full-time organization under Mr. Bragg's supervision will continue in the present quarters pending appointment of a new manager.

The new agency which Mr. Davis heads is at 165 Broadway.

Like Life Insurance selling--

It takes both halves to go places...



One half is a complete line of life insurance plans designed to fit every need . . . the other is an agency contract which turns the resulting sales into a substantial income.

The Provident Life Producer is provided with both of these vital halves from the first day of his selling career.

Most of his sales plans are already programmed in a clearly presented package — each designed to meet a specific need. His agency contract provides an income to meet both his present and future financial requirements — a liberal scale of first-year commissions, nine renewals, service fees, a persistency bonus, group insurance, and a non-contributory pension plan.

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga—Since 1887



LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

LIFE AGENCY CHANGES

Equitable Society Names 3 Managers

Equitable Society has appointed three new agency managers. They are



George W. Holt

George W. Holt in Newark, Saul Zausmer, in the newly-established Paterson, N. J., agency, and C. Francis Barton, Jr., in Springfield, Mass.

Mr. Holt was unit manager in Detroit. In the first 11 months after he organized it, Mr. Holt's unit had an 11-month production of \$6 million. In 1951 his unit was 10th on the national honor roll.

Mr. Zausmer, an air force veteran, organized a unit in the Newark agency

in 1946. It produced more than \$2 million in 1952.

Mr. Barton's unit in the Wilmington, Del., agency produced \$3 million in



Saul Zausmer



C. Francis Barton, Jr.

ordinary and \$2 million in group in 1952. He is a navy veteran.

Smith Heads New Manhattan General Agency at Chicago

Manhattan Life has named Frederick L. Smith general agent for the new agency at 120 South La Salle street, Chicago.



Frederick L. Smith

Mr. Smith entered the business there with John Hancock Mutual Life in 1939, and became assistant district manager in 1941.

He went with Occidental of California as assistant branch manager in 1947, and transferred to Davenport, Ia., as branch manager in 1951. Later the same year he returned to Chicago as home office brokerage representative for the midwest. He is a navy veteran.

Bankers Life of Iowa Names Bjorklund at Minneapolis

Bankers Life of Iowa has appointed Robert J. Bjorklund manager at Minneapolis. He has been with the agency since entering the business in 1947.

Mr. Bjorklund is a graduate of University of Minnesota where he was co-captain of the university's 1940 western conference basketball champions. He later played center for the professional basketball Philadelphia Eagles.

Mr. Bjorklund succeeds Robert E. Shay, who was recently appointed superintendent of agencies.



Robert J. Bjorklund

Hyde Leaves Penn Mutual. Tonnessen Is Successor

Ben Hyde, general manager of Penn Mutual Life's New York premium collection office has retired on the advice of his physician. He is succeeded by Erling Tonnessen.

Mr. Hyde joined the company in 1918 and served as assistant general agent, general agent in New York City for 28 years and since 1951 as general man-

ager of the New York premium collection office.

Mr. Tonnessen has been with the office for 18 years, three of which he served as assistant manager.

Two Partnerships Result In New Aetna Agencies

Several changes in the general agencies of Aetna Life have been announced.

At New Haven, General Agent G. Albert Lawton has taken his associate general agent, Leslie R. York, into partnership. The new general agency will be known as Lawton & York.

At Washington Paul D. Sleeper has taken his associate general agent, Joseph F. Euler, into partnership, the new general agency to be known as Sleeper & Euler.

Mr. Sleeper has left the Sleeper agency at Richmond, Va., and a new agency, the James H. Neill & Company general agency, has been established there. The agency will be headed by Mr. Neill, who has been in charge of the Richmond office since 1945.

Mr. Sleeper will retain a financial interest in the Richmond agency and full responsibility for its management will be held by Mr. Neill.

Southland Moves Mabry to Houston Territory

T. Jay Mabry has been made a field assistant for Southland Life.

Mr. Mabry, who formerly represented Southland at Seguin, will make his home in Houston and assist the Houston territory agency manager, D. G. Liggett, in supervisory and educational training work. He went with Southland in 1951 and for 17 years prior to that was with the state department of public welfare. He served as field representative for that organization at Seguin and as area supervisor at Laredo.

Trenouth Retires After 35 Years With Canada Life

Following 35 years continuous association with Canada Life agency organizations, R. J. Trenouth, Toronto City branch manager, has retired. In 1917 he went with the company as the first full time member of that branch, and in 1922 opened a branch at Windsor, Ont.

After laying a firm foundation for that branch, Mr. Trenouth transferred to the home office where he successively held posts as western supervisor, assistant superintendent, and superintendent. In 1942 he returned as manager of the branch where he started as a representative 25 years previously.

Names Donohue at Baltimore

John C. Donohue has been appointed associate general agent of Penn Mutual Life's F. Bowie Addison agency of Baltimore.

Mr. Donohue served with the navy. A life underwriter since 1938, he is president of Baltimore Assn. of Life Underwriters, and a member of the committee on associations of National Assn. of Life Underwriters.

Jack King, Bankers Life of Iowa, Madison, Wis., has been appointed supervisor of the C. W. Tomlinson agency there to succeed Ray J. Dean who has been transferred to Spokane, Wash.

Agency Men Advanced At Volunteer State Life

Volunteer State Life has promoted four members of its agency organization.

Edward O. Zander is now manager at Chattanooga. He replaces Joe W. Davis, who held this position for a number of years and will now devote full time to personal production; Norman B. Cotter has been promoted to state manager for North Carolina; Robert F. Hopper and J. B. Jett become home office field supervisors.

Mr. Zander was formerly with Kansas City Life for 27 years and for the past two years has been Volunteer's regional superintendent of agents. He will now head the company's largest agency.

Mr. Cotter went with Volunteer in 1950, and in his first year in the business was among the company leaders. He was promoted to home office supervisor in 1952 and since that time has received training and experience in recruiting and supervising new fieldmen. He has taken the advance course in insurance marketing at Southern Methodist University.

Mr. Hopper entered life insurance with Volunteer in 1949 in a home office capacity and in 1952 joined the Chattanooga agency as an agent.

Mr. Jett also entered the business in 1950, at the Chattanooga agency. Since that time he has qualified for many top honors.

Combined Offices Opened

Three Elkhart (Ind.) representatives of Equitable Society, Harold C. Pribble and James T. Searcy, special agents, and Gerald F. Lambdin, field representative, have opened combined offices in that city. Mr. Pribble has been with Equitable since 1939, Mr. Lambdin for eight years and Mr. Searcy for one year.

Take Chattanooga C. of C. Posts

H. Clay Evans Johnson, president of Interstate Life & Accident, has been elected vice-president of Chattanooga Chamber of Commerce. William S. Keese, Jr., local agent, and Roy McDonald, president of Tennessee Hospital Service Assn., were elected directors.

Fidelity Scores High Where It Counts Most



Our leading producers have again reminded us that Fidelity Life scores high in:

- ✓ Training Program
- ✓ Field Supervisory Assistance
- ✓ Sales Aids
- ✓ Home Office Cooperation
- ✓ Claim Service
- ✓ Incentive Plans

FIDELITY LIFE ASSOCIATION
Home Office - Fulton, Illinois

WANT ADS

Rates \$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday morning in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
THE NATIONAL UNDERWRITER
Life Insurance Edition

LIFE INSURANCE MANAGER WANTED

A rapidly expanding Southern life insurance company will consider applications from proven Ordinary producers to manage its Atlanta, Georgia branch office. Give details in first letter of insurance experience and production record. Inquiries will be treated with confidence. This is an excellent opportunity for the right person to immediately step into management. Address P-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARY WANTED

Established legal reserve life and accident & health company, moderate size, located adjacent to New York City, seeking man having practical company experience with some emphasis on accident and health. Not necessarily a Fellow of the Society. Good future. Write stating qualifications, etc. Replies held in confidence. Address P-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT ACTUARY

Wanted by rapidly-growing medium-sized company in large eastern city. Must be an Associate of the Society and continuing with examinations. Salary \$8,500. Reply to Box P-45, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Insurance Accountant and Office Manager for a small Insurance Company in the middle west. Should know Industrial Insurance. Salary open. Address P-46, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Wanted: Experienced Accountant

By Fraternal organization. Qualifications: five to seven years experience in general or insurance accounting; degree in general accounting; Lutheran church affiliation. Be able to set up insurance accounting procedures on own initiative. Address: P-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Ups

Prudential... \$5,000... insurance... \$3,000... within... emphasis... will be... personal... prospect... ance.

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Life

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POLICIES

Ohio State Life Policy

Conversion Rules Given

Any Ohio State Life mortgage protection or family income supplemental contract issued after Jan. 1, 1948, on a standard basis may now be converted as of attained age prior to the fifth anniversary date, subject to the following rules:

Conversion must be made prior to disability of insured; conversion may be made to either a life or endowment, ordinary life, or a preferred risk policy, or a policy of a kind or amount not issued at the insured's attained age, nearest birthday, on the date as of which the exchange is made, or a policy having premiums payable for less than 10 years after the date as of which the exchange is made; amount of term insurance that may be converted shall not exceed the amount payable under the mortgage protection or family income supplemental contract in the event of death or exchange but not less than \$1,000; conversion will not be made to any plan of insurance where the minimum amount issued under such plan is more than the amount of term insurance to be converted; the life or endowment policy will be issued and dated as of the date on which the exchange is made and will be on the policy form then being issued at a premium rate according to the rate then being used for the then attained age of the insured, nearest birthday, for the kind of life or endowment policy issued in exchange for the term insurance.

Ups Intermediate Limits

Prudential now offers intermediate ordinary limits at ages 30-60 up to \$5,000, excluding paid-up and extended insurance. However, not more than \$3,000 will be issued on any one life within a two-year period. The company emphasized that this type of insurance will be sold only to properly qualified persons and should not be written on prospects for regular ordinary insurance.

New Bankers, Iowa, Policy

Bankers life of Iowa now has a multiple-five life paid-up at age 65 policy which provides \$1,000 insurance to age 21 increasing automatically to \$5,000 at age 21, with premiums level to age 65. Options available at age 65 are: participating paid-up life policy of \$5,350; retirement life income of \$25 monthly (females \$22.10), 10 year certain; or cash of \$4,140, which may be applied under any one of the regular settlement options.

Eastern Life has issued a new rate book with reduced rates. All policies are non-participating.

Life of Georgia Changes

Life of Georgia has transferred Chester D. Bell, district manager at Demopolis, Ala., to Selma, Ga., succeeding J. B. Solomon, who retires after 36 years with the company.

In another transfer, J. Sam Jowers, district manager at Birmingham, has moved to Knoxville, replacing Henry P. Woodall, who returns to personal production.

J. L. Nolan, district manager at

Clarksville, Tenn., and B. P. Davis, district manager at Chattanooga, have switched districts, while the Lake City (Fla.) district has been consolidated with the Jacksonville and Gainesville districts.

Midwest Life to Erect \$225,000 Office Building

Construction is expected to start before March 1 on the new office building for Midwest Life at Lincoln, Neb. The \$225,000, 2½ story structure will be modeled after the state capitol building and will have 27,000 square feet of floor space.

Exterior will be of Indiana limestone decorated with mahogany-colored granite. Designed to permit growth of the company to double its present size, the building will contain main offices, private offices, bookkeeping space, an auditorium accommodating 150 persons, main dining room, a directors' dining room and an air conditioning and heating plant.

Other features include ample parking space and landscaped grounds.

ASSOCIATIONS

Nussbaum Caravan Speaker

A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, will speak on "Write Your Own Ticket" on the panel of the caravan sales congress of Indiana Assn. of Life Underwriters. James Bettis, general agent for Berkshire Life at Indianapolis, is caravan chairman. Mr. Nussbaum is a life member of the Million Dollar Round Table and currently serving his second term as trustee of National Assn. of Life Underwriters.

Carl Ernst, North American Life & Casualty, Minneapolis, will speak on selling A. & S. insurance, as was announced in an earlier issue of THE NATIONAL UNDERWRITER.

Rosser to Speak in Newark

NEWARK—Mitchell M. Rosser, Phoenix Mutual, Boston, will address the Northern New Jersey Life Underwriters Assn.'s luncheon meeting at

the Robert Treat hotel, Newark, Jan. 15. His topic will be "Let's Sell the Business". Mr. Rosser is a trustee of the National Assn. of Life Underwriters and chairman of its membership committee.

Muncie, Ind.—Ralph Stewart, Ohio State Life, was elected president to replace John W. Mosbaugh of Western & Southern Life, who has been transferred to Indianapolis. Clell W. Douglas was named to fill Mr. Stewart's place on the board. Guest speaker at the next meeting will be Hal St. Clair, editor of the Diamond Life Bulletin.

Washington—The regular luncheon meeting of the District of Columbia association will be held at National Press Club Jan. 22. Meanwhile, the Silver Spring, Md., branch will hold a breakfast meeting Jan. 14, to be addressed by Fred Wunderlich, vice-president and superintendent of agencies of Baltimore Life. His subject "Management is Working for You."

Vincennes, Ind.—Harold E. Schottle, president of United Home Life, spoke before the Wabash Valley association on "Success in Life Insurance Selling." He is the top producer in his company as well as president and is a member of the Million Dollar Round Table.

Green Bay, Wis.—The Northeastern Wisconsin association has elected Raymond Paque president; William Juranich secretary, and Raymond Pankhurst treasurer. The association gave a Christmas party for residents of the Brown County Home for Aged.

IN TUNE WITH THE TIMES

To thousands of members, Modern Woodmen of America stands as a symbol of integrity and service. Throughout its seventy-year history, Modern Woodmen has provided, in addition to modern life insurance protection, many "extra" benefits at no additional cost. All of these benefits have been "in tune with the times." Especially outstanding, in view of the rising polio incidence, is the Polio-Protection Plus. This gives Modern Woodmen Beneficial members immediate payment of \$250 if polio strikes; an additional payment of \$250 if the attack results in crippling after-effects or death. Modern Woodmen is pledged to keeping its services "in tune with tomorrow," abreast of its members' varied insurance needs.

MODERN WOODMEN OF AMERICA
and **POLIO PROTECTION Plus!**

**HOME OFFICE
ROCK ISLAND, ILLINOIS**

- 1 Modern Woodmen has a seventy-year record of faithful service to insureds and beneficiaries.
- 2 More than \$768,000,000 has been paid in benefits.
- 3 Our record of prompt payment is unsurpassed.
- 4 Assets exceed \$170,000,000 in a strong investment portfolio.
- 5 Twenty-five Modern Woodmen certificate forms are issued... we insure every member of the family from birth to age 60.
- 6 Those insured in Modern Woodmen automatically receive THE POLIO-PROTECTION at no extra cost.

(ATTRACTIVE CONTRACTS AND CHOICE TERRITORY FOR AGENTS)

Selling is Easier... WHEN YOU HAVE MORE TO OFFER!

Discover, for yourself, the many extra benefits offered in all forms of The Maccabees insurance programs. All types of life protection, including juvenile, are available as well as liberal hospital-medical and surgical plans.

Compare these programs and their many plus features with any other on the market. You will find great financial and personal satisfaction in representing one of America's foremost Fraternal Benefit Societies.

Address the Field Dept. for complete information.

THE MACCABEES
LEGAL RESERVE INSURANCE

5057 WOODWARD AVENUE • DETROIT 2, MICHIGAN

Sales Ideas That Work

Six Hours a Day on Phone Pave Way to Million-Plus Production for Young Agent

NEW YORK—Six hours a day on the telephone is an integral part of the production system by which Albert A. Simpler, Jr., 27, of the Finkbinder agency at Philadelphia pays for between \$1 million and \$1½ million a year from strangers. Mr. Simpler described his methods at the eastern regional meeting of Northwestern Mutual. He makes his headquarters in Wilmington, Del.

There are thousands of possible life insurance buyers within a radius of about four blocks and Mr. Simpler arranges so that most of his appointments are in his office. He tries to schedule appointments at 12, 12:30 and 1 o'clock. The 12 and 12:30 appointments, being only for one-half hour, are for the package sale type of interview. Another excellent time is 5 p.m. Like the 1 p.m. appointments, this affords more time for more expensive presentations, such as planned incomes. Simpler has found this system virtually eliminates evening work.

In telephoning, Mr. Simpler offers to show the prospect either a combination savings and insurance plan or to have a session with him for discussing life insurance and programming.

Most of the men he contacts for the first time are new in the area. Since he is a newcomer himself, Mr. Simpler finds his time can be most effectively spent with other newcomers. His original contact with them is cold canvass on the telephone.

The primary objective is to find out if the prospect is thinking about life insurance and if he isn't then to find out a little about him, such as his date of birth, marital status and when he thinks he will be interested in considering more life insurance. If he is not interested, his card is filed for the time he has suggested would be a good time to talk with him again. In the meantime his name goes on a list to receive various direct mail pieces.

Mental attitude is vitally important in telephone work, Mr. Simpler has found, for if there is any note of insincerity it can make the call ineffective. To maintain level production, Mr. Simpler has found several steps to be

vital. One involves a careful watch of the ratio of cases open to cases closed. Ahead of that comes an inventory of new names so that proper balance is being constantly maintained. Other factors that have been important to him in keeping production on an orderly basis are the maintaining of at least 100 new names at all times; maintenance of at least 10 situations ready for presentation of a definite sales talk; maintenance of at least 15 cases which he fully expects to close during the ensuing three-week period. The 100 new names are kept on cards. Two lists are kept. One indicates cases ready to open and the other indicates cases pending decision.

Having built confidence in telephone work, it is natural for Mr. Simpler to operate to a large degree through this medium. He believes that if careful screening is done by telephone a majority of the resulting interviews can be conducted at his office.

A typical opening interview telephone conversation goes like this:

"Good morning, Mr. Jones. My name is Albert A. Simpler, Jr., with the Northwestern Mutual. Can you take a few minutes to talk on the phone? I was calling having just recently learned of your coming with the XYZ company here in Wilmington and frankly I should like very much to discuss life insurance with you at a time when you think it is going to be of interest to you and was wondering whether you were giving any thought at all to it yet."

After making his presentation to those who are interested, Mr. Simpler usually gives the prospect material to take with him. He feels that if a presentation is properly made the close on the phone can be made a week or 10 days later.

Mr. Simpler says that while luncheon appointments work very well for many agents he has found that two appointments in his office during the luncheon period will produce considerably more business for him. He summarized his production process in Wilmington as being about three or four

cold canvass calls a day; eight to 10 telephone conversations with prospects previously talked to cold, attempting to stimulate current interest in life insurance; three appointments in the office a day; periodic and systematic mailings; 15 minutes to half an hour a day with the company's sales builder service; miscellaneous service work and overseeing of mailing projects.

Mr. Simpler makes full use of Northwestern material, together with some of his own, which include "power phrases" printed on small white cards,

sent at the rate of one a week for four weeks prior to a note to call an individual. A full-time secretary is essential to this type of operation. He also employs part-time help for mailings. He finds the Northwestern's Audobon calendars to be of considerable value and they are a "must" on the mailing canvass every year. He makes a careful check of his operations so that work such as service, records, financial, and the like can be kept by his secretary, leaving Mr. Simpler's full time for the production of new business.

L. A. Agent Asks \$1 Million

Damages in Bank Loan Case

LOS ANGELES—Lloyd Steadman, a Los Angeles life agent, has entered suit in superior court here against Dr. Karl S. Sicherman, asking \$1 million damages for libel and defamation of character, the action growing out of a case of bank loan life insurance.

Mr. Steadman's complaint sets forth that Dr. Sicherman sent a letter to Devereux C. Josephs, president of New York Life, the publication of which is the basis for complaint. The doctor's letter is quoted in the complaint as saying that in the fall of 1949 he was approached by two New York Life agents, Harry Nesbit and Lloyd Steadman, in regard to a bank loan plan through Policy Holders Service Bureau of Des Moines, to prepay premiums for some years in advance on life policies having face value of \$40,000.

The agents suggested, it is said, that a new policy be issued in an amount sufficient to protect the interest of the Policy Holders Service Bureau. Mr. Steadman then is said to have informed Dr. Sicherman that negotiations were being made for a \$50,000 policy, though according to the latter, it was never delivered, nor was he informed as to the annual premium, or other terms of the contract.

According to the letter, Mr. Steadman got about \$900 from Dr. Sicherman to be applied to the repair of deficiencies in the principal sum or the premiums for interest. In July, 1950, the loan was initiated, and when Policy Holders Service Bureau later informed him the lender's interest was jeopardized and exercised the demand clause as of 90 days from May 13, 1952, Dr. Sicherman is said to have discovered Mr. Steadman had no knowledge, interest or ability to help him, and was in bad odor with P.H.S.B.

The bureau then reported the lender was anxious to get out from under the loan, and it was transferred to three insurance companies, two of which are identified in the complaint as Sun Life of Canada and Massachusetts Mutual. The note was paid on August 27, and when it was returned to Dr. Sicherman, he discovered that the policy had a nine-year rating.

The letter then is quoted as saying: "It is my opinion that by concealing his knowledge of rating from me, Steadman caused my insurance record to be unnecessarily stigmatized. I consider his action unethical to the point of fraudulent misrepresentation."

Mr. Steadman in his complaint holds that because of the letter he is injured in his reputation and in his occupation

Earls Names Committee

Chairman for '53 M.D.R.T.

Committee appointments for the 1953 Million Dollar Round Table have been announced by Chairman William T. Earls, Mutual Benefit Life, Cincinnati.

Committee chairmen are: Program, G. Nolan Bearden, New England Mutual, Beverly Hills, Cal.; reception and registration, George B. Byrnes, Equitable Society, Pasadena, Cal.; entertainment and general arrangements, Arthur F. Priebe, Penn Mutual, Rockford, Ill.; nominating, Walter N. Hiller, Penn Mutual, Chicago; by-laws, A. J. Ostheimer, III, Northwestern Mutual, Philadelphia; insignia, George W. Stewart, Penn Mutual, Pittsburgh; resolutions, John O. Todd, Northwestern Mutual, Chicago.

Life Men Become Heart Men

About 2,500 solicitors, most of them life insurance men, will take the field in Minnesota in February to raise \$185,000 for the Minnesota Heart Assn. Robert L. Utne, general agent for Penn Mutual at St. Paul, is general chairman of the campaign. Minnesota Assn. of Life Underwriters is sponsoring the campaign.

Charles A. Coolidge, Boston, member of the law firm of Ropes, Gray, Best, Coolidge and Rugg, has been elected to the board of New York Life. He recently resigned as assistant secretary of defense.

In the sum of \$1 million. He charges the words were published through malice and ill will toward, and that they were meant to present him as incompetent and unqualified to perform services as an agent. Specifically, Mr. Steadman charges that Dr. Sicherman's letter was mailed Sept. 22, 1952, addressed to Mr. Josephs, and that it was published in New York City, Los Angeles, and other places.

OPPORTUNITY

One of the larger life insurance companies is looking for a qualified man to assume a very responsible position at the home office in its Industrial Department. The position calls for executive and administrative ability. If you are the man this opportunity will interest you. It is in the South.

Write P-44 (All correspondence confidential)

The National Underwriter
175 W. Jackson Blvd.
Chicago, Illinois

LIFE INSURANCE RENEWAL COMMISSION LOANS

At Low Bank Interest Rate

For full details write us stating number of years renewals are vested and date of contract.

John H. Weber, President
Renewal Guaranty Corporation
617 U. S. National Bank Building
Denver 2, Colorado

Northwestern Mutual Soars to New Production Heights in Record Year

(CONTINUED FROM PAGE 1)

ployed, and managerial category as against 20% for the control sample; 22% of Northwestern Mutual policyholders have incomes of \$10,000 or more as against 6% for the sample; and 33% of Northwestern Mutual policyholders have incomes from \$5,000 to \$10,000 as against 15% for the sample.

Besides Mr. Fitzgerald's opening address, the first morning session was featured by "Stardust," a play by Laflin C. Jones, executive assistant, and an address by David B. Fluegelman, president of N.A.L.U. and of Northwestern Mutual in New York City. Mr. Fluegelman discussed his concept of the professional approach to life insurance selling on the practical side; he mentioned the advisability of not tying settlement options up too tightly but permitting a considerable degree of discretion for the widow where this appears to be warranted.

Speaker at the luncheon for the new agents was John P. Propis, Buffalo. Chairman was W. G. Kreter, New York City.

Mr. Propis said one very important factor that has improved his selling was an appreciation of the importance of an agent's first few seconds before a prospect.

"What you say and what you do and how you look all directly affect the prospect's reaction and he will subconsciously make a decision concerning you," he said. "I have always felt that the minute you can cut through that barrier of suspense or unfamiliarity and eliminate that curtain of uncertainty, you will be on your way to developing a sale."

For this reason Mr. Propis always makes it a practice to say something that gets the prospect off guard and makes him relax. For example, while waiting for the prospect, he often thumbs through a magazine and looks at a cartoon so that when he enters the man's office he is chuckling. This makes it natural to tell what he is laughing about and he mentions the cartoon. This brings a smile from the prospect which is the cue to go into the approach.

One of Mr. Propis's best standard openings is to go into the prospect's office with a broad smile and extended hand and say, "I'm John Propis, in the life insurance business. A friend of yours, Jim Doe, said that you were a nice fellow to talk to and I've stopped in to say hello and meet you personally." Invariably the prospect returns with some light remark and then Mr. Propis knows he is in a position to move into the approach.

Mr. Propis started in the life insurance business in 1946. He heard a talk by Arthur Motley, famed salesman. He was much impressed with Mr. Motley's four steps to becoming a successful salesman: Know your product, see lots of people, use common sense, and ask all to buy. Mr. Propis has built his selling on these four points.

At the afternoon session, Howard D. Goldman, who became general agent at Richmond four years ago, described the operation of his agency and of its outstanding individual agents. These brief sketches gave the audience an excellent analysis of what makes for successful agents and effectively showed the variety of ways in which agents may operate successfully.

The latter half of the afternoon was devoted to an elaborate presentation of

"The Philadelphia Story" by the Aaron C. F. Finkbinder agency of Philadelphia. Participants were Albert A. Simpler, Jr., district agent in Wilmington, Del.; Barnes C. Anderson, Jr., A.C.F. Finkbinder, Jr., J. F. Goffredo, R. L. Powell, and A. R. Hahn.

Mr. Simpler described his well systematized procedure which includes spending six hours a day on the telephone making appointments which for the most part are for interviews in his own office.

Mr. Anderson talked on the need for giving the client a push in the right direction in disposing of his disposable income, since most men are inherent financial weaklings who will balk at spending money for a little more life insurance yet spend a lot for a newer model television set.

Mr. Finkbinder distributed copies of the material he uses in his simplified estate planning and told how he uses it. By checking the appropriate paragraphs in a list and drawing a rough diagram of the prospect's situation, he can have his secretary work up a neat and personalized presentation.

Mr. Goffredo told how he decided to go with Northwestern after being with another life company, even though the move cost him \$17,000 in forfeited renewal commissions but said he had never regretted the decision.

Mr. Powell, formerly sales manager of an envelope company, spoke on the use of psychology in salesmanship.

Mr. Hahn, a veteran Northwestern agent, spoke feelingly on what his association with the company had meant to him.

Discussing the investment picture, Mr. Fitzgerald said the bond department acquired just over \$270 million of securities at a rate just under 4%, the highest return on new investments in any year since the late '20s. Also, \$191 million of old securities were disposed of at a rate of 3.16% and an approximate profit of half a million dollars. Reinvesting this money at about 4% meant more than \$1¼ million of additional income for policyholders. In the last five years more than \$900 million have been disposed of and the receipts reinvested to yield \$4½ million of additional income annually.

Securities carried on a market basis improved about \$1½ million and that has been added to the security reserve.

The mortgage department had \$110 million of new loans at an average gross rate of more than 4½% and a growth in the account of more than \$60 million. The company has restricted purchases of veterans administration and FHA mortgages, as the rates are no longer attractive. With more than 52,000 residence loans on the books the company hasn't one residence acquired through foreclosure.

Mr. Fitzgerald said the whole investment year has been the best in recent company history.

On the insurance side, Mr. Fitzgerald said the number of new pension trusts has tripled and since new trusts average comparatively few policies per trust, the market appears to be widening.

Medical and underwriting departments are so busy that they are on an overtime basis currently. The rejection rate is down by one-fifth. Mr. Fitzgerald said the actuaries estimate that insurance in force will exceed \$6,375,000,000, a gain of \$300 million

as compared with the 1951 growth of \$250 million.

Earnings results look good even though final figures were not yet available. At the end of November the mortality ratio was the lowest in the company's history. Interest earnings are approximately 3.3% before taxes. Expenses were in line for the 11 months. Premiums were up more than 7½% and administrative and general expenses were up less than 5%. Nevertheless expense control is a never-ending struggle. The company will make the same increases in special and general contingency reserve as in recent years even after the payment of a larger dividend.

Mr. Fitzgerald spoke optimistically about the economic climate that will presumably result from the new administration in Washington, with particular reference to the interest of life insurance policyholders in the soundness of the country's money.

Discussing the company's future, Mr. Fitzgerald said that a recent survey showed that in the last three years Northwestern has moved into management more than 60 young people and has in its ranks at least 50 who can be moved into management in the future.

"Our fixed retirement age of 65 assures us a vigorous group of leaders at all times and an enlarged opportunity for successors to move into jobs while in their prime," he said. "Point one for the future, therefore, is that talent is sought, encouraged and used in the home office. We seek an understanding of this policy by our own people and desire the reputation that Northwestern is a place of opportunity."

Most of the second day's session was taken up with the estate problems of the hypothetical Mr. George B. Sweeney, whose characteristics and mode living were so realistically described by Laflin Jones that it seemed impossible that Mr. Sweeney was not an actual person. After Mr. Jones had set the stage and laid bare Mr. Sweeney's troubles for all to see, Mr. Sweeney's problems and their solutions were handled by Charles B. McCaffrey, assistant director of agencies, and William B. Minehan, secretary.

Luncheon speaker was Mr. Hill who passed along some good sales tips in the course of developing his theme of "Our Best Year Deserves Another." Mr. Hill suggested that doctors are a particularly good set of prospects now because they feel greatly encouraged at the blow which the recent national election dealt to socialized medicine. He said the sales record of the last six weeks gives clear indication of this feeling among doctors.

Mr. Hill also suggested the use of a "mistake" close. The agent says to the head of a corporation, "Every corporation makes mistakes. Whether you act on this key-man proposal or not you're going to make a mistake."

The agent then points out that for \$100,000 insurance on a key man the outlay would be \$90 a year (gross premiums less dividends and cash value). That would be a small mistake. But if the executive doesn't buy the insurance and the key man dies, "that could be a \$100,000 mistake and that is a sizable mistake in any corporation. By the way, please make the check to the Northwestern Mutual and not to me."

Mr. Hill pointed out that the same "mistake" close can be used on personal insurance cases, scaled down in proportion.

Closing speaker was Harry Krueger, general agent at New York City, who

summarized the entire meeting. He quoted the late Albert E. N. Gray of Prudential, who stated that the common denominator of all successful men is that they have formed the habit of doing things that failures don't like to do. Mr. Krueger also quoted Mr. Gray's statement that if big producers seem to like to do the things that other agents don't like to do, the answer is that the big producers don't like to do them any better than anybody else.

"Beyond that," said Mr. Krueger, "the successful life insurance man has an almost spiritual fervor about the greatness of the mission of the life insurance man."

McDermott's December Spurt Breaks Production Records

Russell W. McDermott, general agent of Standard Life of Indiana at Indianapolis, at the beginning of December was faced with the shortage of \$400,000 of paid for business in order to qualify for the sixth consecutive year for the Million Dollar Round Table.

As the result of a December production spurt, however, he wrote some \$480,000 of new business, represented by 35 cases, breaking all his previous sales records.

Johnson Named Actuary

Philadelphia Life has named M. Louis Johnson actuary. He was formerly executive assistant of Penn Mutual Life.

Mr. Johnson entered the business with Fidelity Mutual Life, and joined the actuarial department of Penn Mutual in 1910. He became assistant actuary in 1922 and associate actuary in 1930. He was appointed 2nd vice-president and associate actuary in 1942. He had been executive assistant since 1950.

Mr. Johnson is a fellow of Society of Actuaries.

New Trial in Monetta Suit

TOLEDO, O.—District court of appeals here has ordered a new trial in the suit which Samuel Monetta, Toledo, brought against Metropolitan Life to collect \$4,000 on a policy covering the life of Corp. James J. Monetta, his son.

Judge Fess ruled that since Corporal Monetta was killed Nov. 27, 1944, in an air corps training plane crash, a jury should decide whether or not he was on duty in the plane which crashed.

The lower court had denied a jury trial, which decision was reversed by the appellate court. George J. Gould, counsel for the company, argued that the policy contained a rider providing that the claim would not be paid if Corporal Monetta, a radio operator, was on duty in a military aircraft at the time of his death. Opponents contend that Corporal Monetta was not on duty when the plane crashed.

Tulsa Congress Jan. 26

The newly organized Tulsa (Okla.) Assn. of A. & H. Underwriters will hold a sales congress Jan. 26. Speakers will be Emerson Davis, Inter-Ocean, Dallas; Clifford E. McDonald, International Fidelity, Dallas, and R. L. McMillon, Business Men's Assurance, Abilene, Tex.



M. Louis Johnson

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Bohlinger Offers Plan for Major 213 Changes

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pay. By recognizing the problem of the smaller companies in expanding their agency operations, particularly in opening new territories and attracting new general agents, Mr. Bohlinger said that the department would view favorably giving an increase in compensation to new general agents engaged to open new territories and said that such compensation should be removed from the commission limitations of the present law and charged against agency expense limit. This would be permissible for the first five years.

The proposal for preserving general agents' overridings from being reduced if the soliciting agent is paid the full 55% graded first-year commission would be handled by a proposal to guarantee a 5% override to the general agent on all new business produced by agents under his supervision if the company wished to enter into this arrangement.

Recognizing the difficulty that the smaller companies have been having with vouchers in connection with their general agencies, Mr. Bohlinger said the department would be agreeable to an amendment that would let the companies reimburse their general agents for agency expenses within specified limits without primary vouchers being required. However, these payments would be subject to other requirements, which would be specified, of a nature that would insure that expenses were actually incurred for the company's benefit and that no part was kept as additional compensation by the agent. At present only \$2 per \$1,000 of new business is non-vouchered but this is barely enough for even the most minor expenses and has meant that for other items of expense many companies have had to police their general agencies in a way that has been distasteful to all concerned.

Mr. Bohlinger indicated that he favors extending the 1948 emergency increases in expense limitations, which ran out this year. He would extend them only for an additional year, as evidence of good faith on the part of the department in seeking a more lasting solution at next year's session. These limitations deal with agency and total expense limits and are not directly connected with compensation.

The superintendent indicated that he still favors training allowances for new agents in their first three years, feeling that this is a new development that is entitled to a trial period and that companies should be encouraged to experiment in the interest of the insuring public.

The Condon bill last session, which the department favored but which failed of passage, provided that there would be available for training allowances 5% of the first \$5 million of first-year expense limit plus 2½% of the balance of such expense limit; or 30% of first year premiums (except single premiums) paid in the current calendar year on business written by new agents while getting such additional allowances. A company would have its choice of whichever of these methods gave it the larger allowances.

Last year it was Mr. Bohlinger's insistence on a penalty provision that would permit him to fine companies and agents for wilful violations without the defendant's being able to obtain a "de novo" review of the penalty that stuck in the companies' collective craw. He did not indicate that he has

receded from the views he expressed then and since. His findings would be subject to court review but only on the basis like that on which an appellate court can review a trial court. That is, the court could not go back and determine the correctness of the superintendent's findings by trying the case for itself from the beginning.

DISAPPOINTMENT FELT AT "PATCHWORK" REMEDY PLAN

NEW YORK—Disappointment at the idea of settling for what was termed a "patchwork" remedy seemed to be the general reaction to Superintendent Bohlinger's proposal in company and agent ranks. However, it is too soon to get a considered consensus, as Mr. Bohlinger made his suggestions to the company committee only on Tuesday of this week. Whether the companies and agents like or dislike what the superintendent is proposing, it is recognized that it is extremely difficult if not impossible for either the industry or the department to obtain anything important in the way of affirmative legislation against the opposition of the other. This was strikingly demonstrated at the legislative session last year in connection with efforts to amend section 213.

Mr. Bohlinger's insistence on the type of penalty provision he sought last year makes it pretty evident that if the industry expects to get the department's sanction for relief measures this year the penalty provision will have to be accepted. Fears that the proposed provision could be interpreted as allowing the superintendent to impose cumulative penalties have been set at rest. For example, if a company were convicted by the superintendent of issuing 90 policies in violation of law, it would be subject to a maximum fine of \$1,000 and not \$90,000.

The companies still object in principle to a law that gives a superintendent the power of a trial court but recognize that if the power were abused it would doubtless be possible to obtain relief, though unfortunately not until several years would have elapsed.

Some companies would like a longer period than five years during which a new general agent's compensation would not be subject to the commission limitation provision, but there seems to be not too much objection to the five-year limit as a fair compromise between the interests of the general agency companies on the one hand and the managerial companies on the other. Some of the latter have objected to what they deemed too long a period of exemption, contending that this would give the general agency companies the advantages of both the general agency and managerial type of operation.

On the question of modifying the present tight voucher control, there is probably less objection than on any of the points proposed by Mr. Bohlinger. It is recognized by both company and agency leaders that too great liberality would open the way to abuses. It could be the means of putting an apparent stamp of official approval on a needlessly high expense allowance and could open the door to demands by brokers and surplus writers for a part of the unvouchered expense allowance in addition to the full commission scale.

GREATEST OPPOSITION SEEN ON AGENTS' COMPENSATION

The most vehement opposition to what Mr. Bohlinger proposes seems likely to come from National Assn. of Life Underwriters. The 3½% service

fee allowance that Mr. Bohlinger would bring forward and make available as a contribution to security benefits obviously doesn't add anything to what the agent is permitted to receive but merely makes it available sooner. Hence it can be shown that all the real increase the agent would be getting would be 1½% of one year's premium that would bring the approximately 3½% figure up to 5%.

To an agent earning \$500 a month on new business, the proposed "real" increase of 1½% in take-home pay before taxes would be \$7.50 a month. Judging from what the agents' leaders have been seeking, it would seem surprising if they were to settle for anything less than a "real" increase of around 5%, that is 5% of one year's premium in addition to the approximately 3½% brought forward and deducted from the service fee allowance that companies are already permitted to pay after the 15th year.

It has been pointed out that this bringing forward of the service fee is already effected by some companies by paying the service fee on old business to new agents. In fact, there is nothing to prevent a general agent from giving a new agent the service fee on an old policy of the same size as each new policy he writes.

Mr. Bohlinger has indicated that he favors only a "very modest" increase in agents' commission limits, pending more and better proof that a greater increase is warranted. He has expressed willingness to go along on the basis he outlined, as a token of desire to help the agents, but apparently he has not been greatly impressed by the wealth of data that N. A. L. U. brought forward at the hearings of the Condon committee of the legislature before the 1952 session.

With so short a time before the section 213 amendment proposals must be tossed into the legislative hopper, there is no time for the kind of survey that Mr. Bohlinger has indicated might be cited to show need for a greater increase than he has thus far been willing to agree to. This obviously leaves N. A. L. U. no alternative but to press its case on the evidence it now has, even on the floor of the legislature, if it should come to that.

Hancock Ad Is Cited

From time to time Readers Digest selects an advertisement which measures up to the highest standards of the advertising profession and reprints it under the head of "Advertising Cum Laude".

A recently published advertisement of John Hancock Mutual Life will be so honored in the February issue. The ad, which appeared in the insurance trade press, Saturday Evening Post, Life, Newsweek, U. S. News & World Report, portrays Abraham Lincoln as typifying the fact that American greatness comes out of everywhere. It is entitled: "He was everybody, grown a little taller".

Approve 50% Stock Boost

Interstate Life & Accident stockholders have approved a proposal to increase capital from \$1 million to \$1,500,000 through payment of a 50% stock dividend.

Payment will be made to stock of record Dec. 18. The number of shares will increase from 222,222 to 333,333, with a par value of \$4.50.

FRATERNALS

Dunham Retires As Editor of Fraternal Journal

Dio W. Dunham has retired as editor of Equitable Reserve Guide, a publication of Equitable Reserve Assn. after 41 years. Mr. Dunham began his journalistic career as a reporter and city editor of the Daily Northwestern of Oshkosh, Wis., where he remained for 18 years and then became advertising manager for a large Oshkosh business concern.

In 1906 he was asked to become executive-secretary in Washington, D. C. to Congressman J. H. Davidson and on his retirement became secretary to Congressman Gustav Kuestermann. He returned to Wisconsin after six years in Washington and became editor and publicity manager for Equitable Reserve Assn., holding that post until he retired at the end of 1952.

Always interested in politics, he was selected as a member of the state finance committee of the Republican party for a four-year period and in 1938 was appointed a member of the state board of pardons by Gov. Julius Heil.

He served as president of the press section of the National Fraternal Congress of America and had been active in the section for many years.

New Officers Take Helm In Aid Assn. for Lutherans

New officers recently elected have assumed their duties as of Jan. 1 at Aid Assn. for Lutherans.

LeRoy G. Stohlman, secretary since 1941, is the new president. He succeeds Alex O. Benz, president since 1934, who becomes chairman. George D. Ziegler is now chairman emeritus.

William H. Zuehlke, treasurer, retired and is now chairman of the finance committee. His successor is C. J. Steinwedel.

Otto C. Rentner, general counsel, became 1st vice-president; Walter L. Rugland, actuary, became 2nd vice-president.

Herbert Voecks succeeds Mr. Stohlman as secretary, to hold the same job his father, Albert Voecks, held from 1902 to 1940. William H. Zuehlke, Jr., assistant treasurer, has been made investment vice-president. Herbert G. Benz, agency director, is now agency vice-president.

Newton Retires from Board of Auditors of W. O. W.

Talmadge E. Newton has retired from the board of auditors of Woodmen of the World. Mr. Newton joined the society in 1916. He served as financial secretary of the Waxahachie (Tex.) camp, was appointed assistant manager for the state in 1932, and two years later transferred to North Carolina as state manager. He was also a representative of Texas and North Carolina, head consul for North Carolina, and president of that state's fraternal congress.

Fidelity Mutual Dividend

Fidelity Mutual Life will continue its 1952 dividend scale during the year 1953. Dividend payments will reach a total of \$2,200,000 in 1953 compared with payments of \$1,973,000 in the previous year.

Hancock First in U. S. To Use Phone Dictation

(CONTINUED FROM PAGE 2)

automatic inter-office system separate from the telephone company's circuits. The Hancock uses the plastic-belt Dictaphone machines connected with a Chicago Automatic Electric Co. (P.A.X.) switchboard, but the same system could be used with other electronic recorders, such as Gray Audio-graph, Edison Voicewriter, or Sound Scriber. It could also be used with other makes of automatic switching equipment, such as Kellogg or Stromberg-Carlson.

Obviously, the plan would have much wider appeal if it could be used not merely with private automatic switchboards but integrated with the telephone company's equipment. Dictating machine manufacturers have taken the matter up with the telephone company. They say the latter is "interested" but so far that's about where the matter rests now.

OBSERVATIONS

(CONTINUED FROM PAGE 11)

now working in covered occupations pay taxes out of which old age benefits are paid to retired workers who have qualified for these benefits. In return, those paying the taxes have an implied right to be similarly supported in their own old age after retirement by the taxes to be paid by those then working.

Mr. Linton makes it clear that the OASI system is not a savings annuity-money-back plan under which everyone is expected to get back all he has paid in with interest. The tax burden of such a program would be extremely heavy and the reserves required would be enormous.

"Once we get firmly in mind the concept of the current workers and their employers paying taxes to support current retired aged, we are on the way to understand what to those who approach the problem from the savings annuity-money-back point of view certainly does look like strange anomalies in the present system," Mr. Linton stated. "Fortunately many of these apparent anomalies will disappear with the lapse of time. They are especially noticeable during the transition period required for those to pass off the scene who have reached or were approaching old age before they were able to pay taxes to support the program."

Extends "No Receipt" Practice

Favorable policyholder response to discontinuance of premium receipts as instituted more than year ago has led Pacific Mutual Life to extend its "receipt only on request" procedure to policy loan interest transactions. Beginning with the new year, receipts for interest payments will be issued only where requested or when payment is made in cash.

The physical form of the interest notice has been improved, and now shows current amount of the loan in addition to customary billing information.

Leslie Has Housecleaning

Commissioner Leslie of Pennsylvania has completed a "housecleaning" in his department that will save the taxpayers about \$100,000.

In a basement storeroom in the state building, Mr. Leslie found what at

first glance looked like a roomfull of junk. But when the room was cleaned out, by department employees after hours, \$10,000 worth of equipment and filing cabinets was found; 60,000 penny post-cards—outmoded but still worth \$600; 350,000 window envelopes fit to use, reams of stationery and two steel safes in good condition.

The equipment not used by the department was given to other departments, including one of the safes to meet an order that had been standing for months.

Connecticut General Makes Branch Changes

Connecticut General Life has made several changes in the management of its Des Moines and Cincinnati branch offices.

Charles M. Maxwell, Des Moines manager, has been appointed a sales consultant, associated directly with the home office agency department and working in Iowa and neighboring states.

Charles A. Holman, manager of the Cincinnati branch, has been appointed manager of the Des Moines branch office.

Dale W. Harding, a member of the home office agency staff in Hartford, has been appointed manager of the Cincinnati branch office.

Mr. Maxwell has headed the Iowa agency since 1938 and has been engaged in life insurance sales work for a quarter century. Mr. Holman joined Connecticut General in 1937 and has served as a representative and brokerage assistant in Chicago and in the Hartford branch office. He served as a supervisor of agencies in the home office before his appointment as Cincinnati manager in 1950.

Mr. Harding joined the company as a sales representative in Los Angeles in 1946 and became assistant manager of the branch there in 1948. He has been associated with the home office since 1951. He is a navy veteran of the last war.

P. M. Life Names Tookey Assistant Group Actuary

Pacific Mutual Life has appointed Robert C. Tookey assistant group actuary. He was formerly staff assistant in the group department.

Son of Clarence H. Tookey, actuarial vice-president and director of Occidental Life of California, Robert C. is an associate of Society of Actuaries. He recently completed 21 months active duty in the naval reserve.

New Booklet on "Close"

A new agent's booklet devoted entirely to closing the sale has been published by L. I. A. M. A. Titled "The Close," it supplements the series of sales training publications for agents and concentrates more information on this important area of selling than has ever been done before.

Written in narrative style, "The Close" examines some sales that weren't completed and lists the reasons for failure.

Author is Burkett W. Huey, assistant director of company relations.

NLRB Reverses Self on State Farm Agents' Status

(CONTINUED FROM PAGE 2)

er by which policies are written and serviced is not reserved by such general references in the agents' contracts of appointment as "under the direction of the company." Indeed the method of operation demonstrates that the agents involved enjoy wide latitude in implementing the contracts of appointment. Agents choose their working time, maintain their own offices, hire, discharge and direct employees in furtherance of agency operations and represent competing insurers. Also agents make only limited monthly reports, are not required to attend company meetings, set their own insurance quotas which are not mandatory, and function with little or no supervision. Though the manner of compensating agents is essentially on a commission basis, the entrepreneurial nature of the relationship in question is also evidenced by the fact that ultimate financial return is dependent upon the extent to which

deductions for operating costs would result in profit or loss.

This earlier decision was signed by three members while the newest decision was signed by four. John M. Houston and Paul O. Styles signed both the earlier and the latest orders. Abe Murdock was a signer of the first order, but does not appear on the second. Paul A. Herzog and Ivar H. Peterson signed the second but did not appear in the first.

List Indianapolis Speakers

The annual economic forum of Indianapolis C.L.U. chapter, to be held Jan. 16, will feature four nationally-known speakers on "Prescription for Business Success."

Moderated by Davis W. Gregg, dean of American College, the forum will feature Boris Shiskin, economist for AFL, Washington, D. C.; Charles B. Brownson, Indiana congressman, and William B. F. Hall, president General Industries, Fort Wayne, one of the largest manufacturers of pre-fabricated houses.

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Central Life of Iowa has revised its occupational rating table, the rates for many classifications being substantially reduced.

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Dickey Asks Legislature to Approve Start on Recodifying Okla. Laws

Commissioner Dickey of Oklahoma has asked the 1953 legislature to authorize a study for recodification of the insurance laws of the state.

Contending that the present agency laws make very difficult the effective and affirmative regulation of agents to which the insurance buying public is entitled, he recommended that they be reviewed and a new law be enacted. He said it should provide a minimum standard which every new agent must meet and should contain adequate provision for taking disciplinary action to prevent persons from being licensed as insurance agents solely by reason of their occupation.

He further asked a redefining of duties of the insurance board and the insurance department, which would probably require a two-year study.

He suggested that the legislative committee create a drafting committee composed of an assistant insurance commissioner and an assistant attorney general to draft a proposed code; that the completed draft be approved by the legislative council, the attorney general and the governor before its introduction in the legislature, and that sufficient funds be made available for carrying out the proposal.

Pointing out that from time to time there have occurred in Oklahoma unfair and deceptive insurance practices which are not prohibited by the insurance laws, he recommended that a fair trade practices law be enacted, modeled after the draft of N.A.I.C.

On the matter of group life, A. & H. insurance for state employees, he recommended that a study be made by the legislative council as to desirability of enactment of a law which would permit state departments to combine for the purpose of purchasing such insurance.

He also requested the legislature to enact a statute giving the insurance commissioner, through the attorney general, authority to apply to a court of competent jurisdiction for an injunction to restrain any person or company from violating the insurance laws of the state. This was inspired by a 1951 opinion of the attorney general that the commissioner no longer has the authority to apply for an injunction to restrain a non-licensed insurer from unlawfully engaging in the insurance business in the state.

Wants Investigation of Government in Business

Rep. Coudert, New York, has announced he will introduce a resolution providing for a House appropriation committee investigation of government-in-business operations, with a view to return of as many of them as practicable to private ownership.

Coudert mentioned specifically government guarantee of over \$130 billions of deposits, insurance and mortgages. Insurance people say Federal Deposit Insurance Corp. was originally capitalized at \$80 million, but all of that has been paid back with interest, and the government now has no money invested in FDIC.

Names Best at Columbus

Business Men's Assurance has appointed Robert M. Best assistant manager at Columbus, O., where he will be associated with E. W. Welton, branch manager.

Mr. Best, who joined the company in

1946, is a graduate of the L. I. A. M. A. management course and the L. O. M. A. management school. A navy veteran, he also served for a time as director of sales for Security Mutual Life.

Insurance Estate Tax Changed in Louisiana

New government rulings on estate taxes affecting life insurance will in many instances reduce the amount of tax paid by beneficiaries in Louisiana, according to Congressman Overton Brooks who said he had been informed by the Treasury department that the new rulings had been made.

The ruling involved pertains to the application of the federal estate tax to life insurance purchased out of Louisiana community property. A letter from the Internal Revenue department to Congressman Brooks reads in part: "... it has been concluded that a married man domiciled in Louisiana who takes out an insurance policy on his life, in which policy the incidents of ownership are reserved to the insured, possesses such incidents of ownership in the policy as agent of the community and not solely in his own right. Under Louisiana law, the estate and gift tax consequences of this conclusion are as follows:

"(1) Upon the death of the insured husband, one-half of the proceeds of the policy would be includible in his gross estate for estate tax purposes.

"(2) If the beneficiary is a third party, the death of the husband would complete a gift (subject to gift tax) by the wife measured by the remaining one-half of the proceeds; and

"(3) In the event of the wife's prior death, one-half of the then value of the policy would be includible in her gross estate for estate tax purposes.

"These three positions all result from the conclusion reached with respect to the basic question mentioned above and are, therefore, interrelated. This means that in the event of litigation, if any one of the positions should fail to meet with court approval, it would be necessary to reconsider the question as a whole."

N. Y. City Bus Strike Has Little Effect on Insurance Personnel

NEW YORK—The strike of the privately owned bus lines in the city has had little effect on insurance company personnel. None of the companies reported any undue amount of absenteeism, tardiness or other difficulties. Those checked reported that the employees seemed to have sufficient warning to permit them to work out alternative transportation.

New York Life advanced quitting time to 4:30 p.m. in order to permit employees to use the subways prior to the height of rush hour. The decision as to the 4:30 quitting time was made each day by company officials. It was in effect the first two days of the strike and probably will remain in effect until the bus strike is settled.

Better Business Bureau Says GI's Are Victimized

C. E. Buehner, head of the Better Business Bureau at Houston, was quoted as stating that a 31-year old resident of Houston is preying on service men by selling them policies in a company that has no substance outside of the promoter's hat. He started the company by giving away 200 policies to Houston business men in order to get a charter, according to Mr. Buehner. He then began selling policies, without capital, to men on military reservations.

He said that such companies have been springing up all over the country and the Better Business Bureau is trying to get the laws governing insurance sales to military personnel strengthened. He said that all the fly-by-night insurers has to do is to talk the post commander into letting him come onto the base.

Krakovski, Ersland Made National, Vt., Agency Heads

James J. Krakowski has been appointed by National Life of Vermont to succeed Floyd G. Bean as general agent at St. Paul. Mr. Bean who has held the position for 26 years, will continue in personal production.

Currently Mr. Krakowski is assistant to R. C. Meadows, general agent at Binghamton, N.Y., and is in charge of



H. S. Ersland



J. J. Krakowski

the agency's branch at Endicott. The Endicott office will be in charge of Romolo D. Tedeschi.

H. Seydel Ersland has been appointed general agent at Sioux City, Ia., in charge of 16 counties in Iowa. W. R. Grady is retiring as general agent there and will operate an automobile agency.

Mr. Krakowski, a veteran of the last war, entered life insurance with Midland National Life of Watertown in 1946, serving successively as agent, superintendent of agencies. He joined district manager and assistant to the Meadow's agency in 1949.

Mr. Ersland entered the business five years ago as an agent at Dunkirk, N.Y., for Bankers Life of Iowa. In 1950 he was promoted to supervisor at Buffalo. He is an air force veteran.

Trust Council to Elect

Life Insurance & Trust Council of North New Jersey will hold its annual meeting Jan. 14 at Newark. Gordon W. McKinley, senior research economist for Prudential, will speak on "What's Ahead for Business in 1953."

Emerson Davis Is in New Home

The Emerson Davis agency of Inter-Ocean at Dallas is now in a new \$30,000 building at 1316 North Carroll street. Mr. Davis, who is chairman of the board of Texas Assn. of A. & H. Underwriters, was host at an open house at which one of the guests was John Galloway, Birmingham, Ala., president of International Assn. of A. & H. Underwriters.

S. Parker Johnston, Jr., formerly with the life department of Marsh & McLennan, has opened his own independent insurance counseling firm in Chicago under the name of Johnston & Co., Inc. Mr. Johnston will specialize in the fields of financial and estate planning and employee benefit planning.

Occidental Life's new paid group life volume for 1952, as of Nov. 30, totals \$219,211,655 for a new company record. November produced \$12,733,920 of group life insurance for a new record for any previous year. Occidental now has \$1,590,607,042 group life insurance in force.

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